247049

PROPOSAL UNDER
THE SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PILOT PROGRAM

United States
Department
of
Transportation

¥

DOCKET OST-2003-15065 ~ 93

JACKSON HOLE AIR IMPROVEMENT RESOURCES (JH AIR)

June 30,2003

Jackson Hole AIR
AIR IMPROVEMENT RESOURCES

June 30, 2003

Read C. Van de Water
Assistant Secretary for Aviation
And International Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

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kcooper@jacksonhole.com

Dear Assistant Secretary Van de Water,

Thank you for your time in reviewing this application for the Small Community Air Service Development Pilot Program (SCASDPP).

Jackson Hole, Wyoming is well-suited as a recipient of an SCASDPP grant, as you will see in the enclosed application.

This pilot program is an all around win for the Jackson community, State of Wyoming and the Federal government due to fact that with smart, strategic SCASDPP investments in communities that can demonstrate a base level of airline guarantee commitment, the Department of Transportation can demonstrate true SCASDPP success. Start-up concepts of airlines in Wyoming, while noble, have demonstrated little success. What we are attempting to do is target market-based guarantees so that strategically we can build a sustaining program.

In Jackson, we have an air service condition that is like no other in the country. Our airport is strictly limited by the fact that it us the only commercial airport in the United States operating within a National Park. The runway length is restricted by the fully encompassing boundary of Grand Teton National Park. With a limited number of planes that are capable of landing in Jackson, we have an additional barrier that requires financial support to overcome in order to provide quality, affordable air service for the flying public. We, as a small community with market growth potential, sales tax generation capacity and extraordinary Federal impacts, need Federal assistance to effectively and strategically subsidize air carrier service and entice multi-year contracts with major carriers.

Our grant request is a one-to-one match. We are seeking $550,000 in Small Community Air Service Development Pilot Program funds. Through a private-public partnership within the community of Jackson – a non-profit called Jackson Hole Air Improvement Resources, or JH AIR – we will raise $630,000 in local funds to combine with federal dollars in order to secure carrier service.

This proposed program will be unique among the small communities applying for assistance and will prove to be an enticing study for DOT of the dynamic between strategic support and competition in order to produce lower fares.

We want to use SCASDPP funds to bring in two flights with significant market potential, Northwest (Minneapolis market) and American (Chicago market).

Jackson is dedicated to the goals outlined in this innovative Federal pilot program. Improving air service is a vital need to this remote, destination community that serves as the portal for the two crown jewels of the National Park Service, Grand Teton and Yellowstone National Parks, as well as national forests, the National Elk Refuge and much more.

The community members of JH AIR, as the sponsoring entity of this application, thank the Secretary of Transportation, Mr. Mineta, and you, Assistant Secretary Van de Water, for this opportunity.

The Wyoming Congressional Delegation, U.S. Senators Craig Thomas and Mike Enzi, U.S. Representative Barbara Cubin, each elected leader in Teton County, Wyoming, and the Town of Jackson, Wyoming, join us in this application. Letters of endorsement from each of these supporters are included in this application.

We look forward to answering your questions and providing any further information you may need.

Sincerely,

Michael Gierau
Chairman, JH AIR

Jerry Rankin
Vice Chairman, JH AIR

P.O. Box 7767, Jackson Hole, Wyoming, 83002

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AIR IMPROVEMENT RESOURCES
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EXECUTIVE SUMMARY

By JH AIR Chairman Mike Gierau and Vice Chairman Jerry Rankin

As the portal to two crown jewels of the National Park system, three key National Forests, the National Elk Refuge, the dynamic Jackson Hole business community and much more, the Jackson Hole Airport serves a wide spectrum of travelers. From parents showing their children Old Faithful for the first time, to a growing business economy, sufficient and affordable air service is a crucial element to the public flying to Northwestern Wyoming.

The area s vast Federal interests drive demand in air travel to Jackson Hole Airport. Yet it is those Federal interests surrounding and encompassing the airport that specifically limit it. What isolates Jackson Hole (county population 18,500) from all other small communities, impacts air carrier service and drives up fares dramatically, is the fact that we are the only commercial airport in the United States located entirely within a national park. Jackson Hole experiences air service duress similar to other small communities, but also is subject to an unusual limitation on infrastructure. Due to Federal restrictions on the runway length at the Jackson Hole Airport and a high mountain elevation, larger, quieter or longer-range aircraft — which would benefit the flying public by helping lower fares — are restricted to avoid vertical loads. This leaves Jackson Hole in competition typically with larger population centers for a selective group of aircraft capable of flying fully loaded onto a relatively short runway.

This unique circumstance, coupled with the fact we are a remote destination community, challenged the community to look first inward and now, with this SCASDPP application, outward for support and innovation when it comes to improving air carrier service.

In response to Jackson Hole's air service challenges, since 1980 the community of Jackson has been a vanguard in forming private-public partnership to improve air service and lower airfares to commercial fliers.

Jackson Hole Air Improvement Resources (JH AIR) is an incorporated non-profit organization with a board of community, business and elected leaders. JH AIR has demonstrated the ability to raise local dollars. This local private-public partnership will secure local matching financial support for improved air service as well as administer all Federal funds for air carrier support.

This application includes a comprehensive economic analysis written by a key local economist Jonathan Schechter, whose data and understanding of the air service dynamic is crucial to seeing the direct and indirect benefits of the guarantee program we are proposing in partnership with US DOT.

The benefits from JH AIR will apply to a broad sector of the traveling public. With broad-based local support, JH AIR ensures the Federal government that this is not a cost shift to the Federal government for Jackson Hole s air carrier improvement efforts. Rather key Federal support through this Small Community Air Service Development Pilot Program is the vital element for Jackson Hole to rise above the plateau reached by the work of the community in the formative years of the airline investment program.

We will use the Small Community Air Service funds to secure air carrier service to improve seasonal air service.

In Jackson Hole, we have learned that we can secure some carrier service, but the issue is still high rates. Our private-public partnership of local dollars combined with vital federal funds is the only formula that will effectively create real competition and competitive fares.

With Federal Pilot Program funds to help Jackson Hole over the threshold of existing air service, the flying pubic will benefit as well as local, state and federal interests.

In the spectrum of communities that will likely apply for these important funds, Jackson Hole could stand out as

the successful case study in major carrier competition in a small community.

Our goal is to benefit the public. The existing infrastructure is vastly underutilized in certain seasons. The runway length appears to be a fait accompli at this juncture. With that finite factor, Jackson Hole needs specific incentives to attract and secure sustainable air carrier service.

We are a community uniquely affected by Federal activities. We have worked for two decades to be a progressive community in securing air service through private dollars. We need Federal investment to get beyond the status quo and improve our air service as outlined by the Small Community Air Service Development Pilot Project.

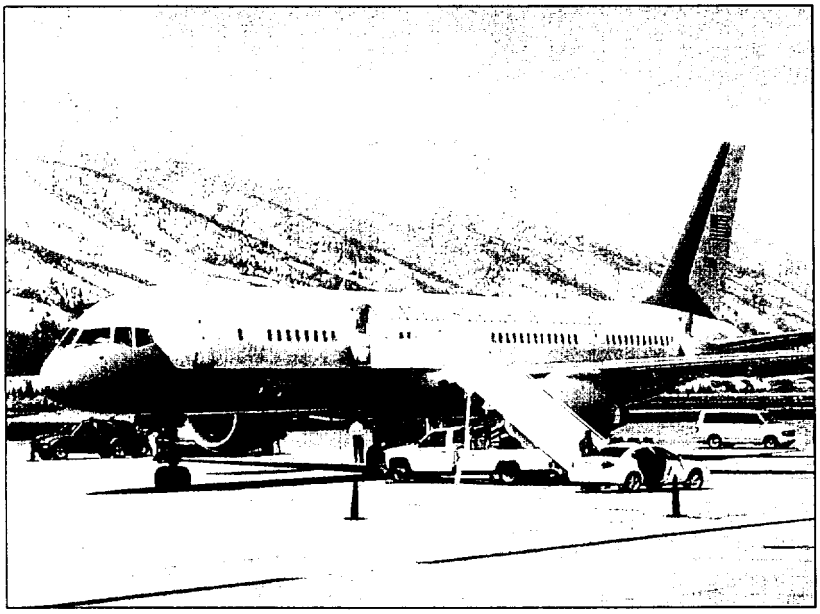
On behalf of all of the members of JH AIR, we appreciate the opportunity to apply for these funds. We ve worked diligently with a level of success to overcome barriers to quality, competitive and year-round air service in Jackson Hole. We need US DOT assistance partnering with our local broad-based coalition to prove that small community, targeted investments can cause market competition among key carriers so that fares are more affordable, air service is improved for the long-term and small communities are networked into the National Transportation system.

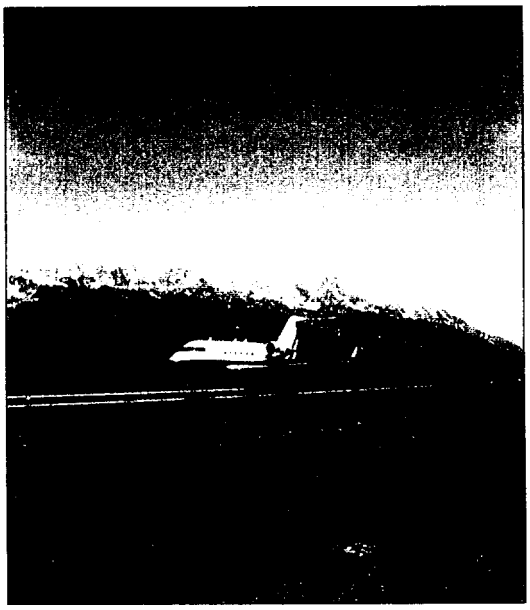
Mike Gierau
Chairman,
JH AIR

Jerry Rankin
Vice-Chairman,
JH AIR

HISTORY OF THE JACKSON HOLE AIRPORT

The Jackson Hole Airport began as an unpaved landing strip in 1930, located at that time outside of Grand Teton National Park which was established just the year before in 1929. When the Jackson Hole National Monument site was declared in 1943, the airport site was included within the boundaries of the new Federal holding. In 1950, the entire monument site, including the airport, was absorbed into Grand Teton National Park.





The National Park Service first issued a permit to Teton County and the Town of Jackson to operate an airport within NPS land in 1946, and the Jackson Hole Airport Board was created in 1967 to administer the airport for the town and the county.

Department of the Interior Use Agreement

In 1983, the U.S. Department of the Interior and the Jackson Hole Airport Board signed a 30-year Special Use Agreement with two 10-year extensions. This agreement gives the Airport Board the authority to operate the airport within the boundaries of Grand Teton National Park, and it specifically delineates the boundaries of the airport. The agreement set guidelines for limiting noise from aircraft flying over the park and limits the length of the runway to a 6,305 feet maximum. As a result of this use agreement, the Jackson Hole Airport struggles to accommodate many types of jet aircraft carrying full loads. The airport is at a high elevation (6,444 feet) and with its runway limitation, most types of aircraft cannot fill their capacity of passengers in order to meet takeoff, weight and load requirements particularly in the summer months.

The Special Use Agreement also gives the Airport Board permission to construct buildings, structures, roads and other improvements in a specific development subzone at the north end of the airport site as long as certain criteria are met and the Department of the Interior reviews the plans.

HISTORY OF JACKSON HOLE AIR SERVICE

Frontier Airlines — 1980
Weekend Los Angeles and San Francisco community minimum revenue guaranteed (MRG)
Exposure to Jackson Hole Community $300,000

Western Airlines — 1983
Initiated daily 737 service from Salt Lake City

Peoples Express — 1984
Purchased Frontier Airlines

Continental — 1985
Purchased Peoples Express
1993 eliminated service as Continental shifted market focus away from Denver to Houston/Newark

Continental Express— 1987
Great Lakes service ended in 1995
Contracted 1x daily 737 700 Houston to Jackson Hole

Delta Air Lines — 1985
Purchased Western Airlines 1985
1998 — Eliminated jet service
Contracted 2x daily 737 Salt Lake City to Jackson Hole non-stop flights

Delta Connection/SkyWest Airlines— 1998
Began to provide daily Embraer (30 seat turbo prop) service from Salt Lake City to Jackson Hole

American Airlines — 1986
10-Year Minimum Revenue Guarantee (MRG) with 757 from Chicago to Jackson Hole
5-Year extension signed — 1996
Annual contract added providing 757 daily winter service from Dallas Ft.Worth to Jackson Hole in 2000

United Air Lines — 1994
Weekend winter only Revenue Guaranteed Service (RGS) Denver to Jackson Hole
1995 — Daily winter only RGS Denver to Jackson Hole
1996— Winter/Summer daily RGS Denver to Jackson Hole

United Express
Combination of Dornier and BAE146 equipment

Northwest Airlines
Contracted 1x daily A319 Minneapolis to Jackson Hole

Seasonality, aircraft type limitations

Teton County's economy is highly dependent upon tourism. There were over 90,000 enplanements at the Jackson Hole Airport from June to September 2001. Even more critical to the winter economy is reliable air service that reaches multiple metropolitan cities with direct flights. Winter visitors are almost entirely dependent upon air travel to reach Teton County.

Jet service into Jackson Hole is extremely difficult to procure due to the load limitations determined by the runway length combined with our elevation. The problem is exacerbated on warm days because the air is heavier. Wide body 757 and Airbus aircraft are best able to overcome the physical limitations imposed by the Jackson Airport because they have improved technology and increased engine thrust. 737s, on the other hand, have a much more difficult time flying into Jackson because they are an older generation of aircraft without the benefit of the 757 s new technology.

The future 737s (737-600, -700, -800) will be more efficient, more powerful, and less noisy, thereby meeting the needs of the Jackson Hole community if we can entice carriers through airline improvement subsidies from JH AIR and the US DOT. Many airlines are acquiring regional jet fleets to better serve proven markets from primary and secondary hubs. Currently most regional jets do not have performance standards capable of serving Jackson Hole.

Education and natural resource study impaired by high fares

Because Jackson Hole is at the heart of the largest intact ecosystem in the world, this area is the center for intensive research and natural resource educational programs. From an educational perspective, it is vital to find a way to improve service and lower fares. Students of all levels, degrees and ages are disadvantaged by the system and current structure of airfares and carrier service.

Jackson Hole is host to the permanent programs of multiple educational groups annually, including the University of Wyoming, the University of Michigan, the Teton Science School, Yale University and many more. Students and faculty alike are hard-pressed to afford to study natural resources due to the cost of flying into Jackson Hole.

Inner city kids and disadvantaged youth out-priced by air carriers

Programs aimed at helping disadvantaged youth suffer severely due to exorbitant airfares into Jackson. According to the Teton Science School (TSS), high airfares are one of the key impairments to their educational programs. Nearly every TSS student, particularly low income and scholarship recipients, is unable to fly into the Jackson Hole Airport due to high costs. Most of the larger groups fly into Salt Lake City, Utah and then typically charter a bus for a six-hour bus ride to the Teton Science School. Other students fly into Idaho Falls, ID to be transported by a TSS staff member. Most of TSS students have never had the opportunity to fly before and, because they are unfamiliar with air travel, serious problems arise for the whole group when one student is late for a flight, a student gets bumped off a flight, luggage is lost, or the airline cannot accommodate the whole group on one plane. Numerous families have decided not to attend TSS programs based on these factors in flying.

The following is a sampling of Teton Science School programs that are most effected by the high airfares into Jackson Hole Airport.

1. The Beverly Johnson Leadership Project: A program for 32 low-income, inner-city, minority students from South-central Los Angeles and six of their science teachers. The program is in the third year and has always flown into Salt Lake City, Utah due to the cost prohibited prices associated with the Jackson Hole Airport.

2. The Illinois Math and Science Academy which flies into Salt Lake City, Utah and rents vans to drive the 6 hours up to Teton Science School.

3. The Parkway Schools of St. Louis, MO annually send four groups of students to Teton Science School. Due to high airfares into Jackson, two groups will be chartering a bus (32 hour bus ride - one way) this year two groups have decided not come at all.

4. This year TSS has three scholarship students from Omaha Nebraska who participate in its Young Women In Science Program and constantly fly into Idaho Falls, Idaho in order to save airline costs.

5. TSS also hosts a group of at-risk students from St. Ignatius Loyola Academy in Baltimore, Maryland who fly into Idaho Falls, Idaho for summer programs.

6. The Summer Search organization finds bright, energetic students from low-income homes in Southern California and Boston, MA and places them in various educational programs that the students would be otherwise unable to participate in due to lack of funds. TSS has been working with them for years and even though these students typically receive full scholarships in the amount of $1,150 - $2,875 for actual programs, some still have to decline participation because of airfare costs.

THE RISE IN GENERAL AVIATION

Private Jets v. the Flying Public

Following the 1998 pullout of Delta, a dramatic stratification began among travelers to Jackson. There became two classes of travelers — those with private jets and the rest of the flying public. Commercial airline users were forced to search for more affordable flights. When fares increased significantly, the average flyer strained to drive six hours to Salt Lake City or two hours to Idaho Falls for affordable carrier service.

Meanwhile, general aviation spiked upwards after 1998 as the wealthy flew jet after jet into the new hot second home market of Jackson Hole. That increasing general aviation trend has continued, leaving most of the flying public to their cars in search of distant hubs.

Local Jackson Hole officials are intensely worried about stratification of air travelers in terms of service provided by Jackson Hole Airport. As a gateway to the important public lands — National Parks, National Forests, National Elk Refuge — as well as three commercial ski areas and a growing business community, it is crucial that Jackson Hole not lose its marginal capacity in commercial air service.

THE CASE FOR JACKSON HOLE RECEIVING A US DOT SMALL COMMUNITY DEVELOPMENT PILOT PROGRAM GRANT

Overview

As a community, Jackson Hole has guaranteed air service iinto JAC for nearly two decades, strategically spending $7.5 million on such programs. In response to market changes in the airline industry, over half of this amount — $3.8 million — has been spent since 1995. In a further effort to improve its level of service, in the past two years the Jackson Hole community has nearly tripled its historic levels of subsidization, to $1 million annually.

Unfortunately, this amount is not proving adequate to take Jackson Hole's service to the next level, the level it needs in order to accommodate its increasingly sophisticated and price-sensitive visitors and residents on a year-round basis. Because of JAC s insufficient air service, the traveling public is being pressured to travel long distances by car. As important, JAC s current levels of air service aren t adequate to allow the continued growth of an economy that has become increasingly dependent on air service into Jackson Hole.

During the last decade, both Jackson Hole's traditional tourism economy and its rapidly-growing investment/white-collar service economy have become ever-more reliant on consistent, high-quality air service. On the visitor front, tourists in general, and skiers in particular, are tending to wait until the last minute to schedule vacations, a response to ever-more hectic lifestyles and the possibility of possible fare reductions. When they look to visit Jackson Hole, however, they find a destination resort at a significant competitive air service disadvantage, featuring fewer seats and higher prices than other resorts and regional airports.

This air service reality creates a vicious circle for Jackson Hole. With their lower levels of service, airlines need to charge high fares from JAC. Unfortunately, this serves as a disincentive, leading travelers to choose alternatives to JAC-based commercial air service. As a result, booking levels stay relatively low, and fares stay relatively high.

For fifteen years now, the community of Jackson Hole has proven how effective airline revenue guarantee programs are, combined with targeted marketing campaigns, especially at increasing enplanements. As a consequence, by using grant money from DOT s SCASDPP to further increase the quantity and quality of service into JAC, Jackson Hole will be able to reverse its current vicious circle of air service, and replace it with a virtuous circle of improved air service.

As has been the case in Jackson Hole s many experiences guaranteeing air service into the community, this virtuous circle would start with additional service, which in turn would lower prices. This would lead to greater utilization and higher load factors, which would only improve as the newly-subsidized service matures. After a few years, the economic case could be made for the airlines to continue their increased levels of service with only minimal subsidies, or even to further expand them. Hence, the infusion of a dollar-for-dollar, $550,000 matching grant from DOT would prove to be self-sustaining.

A few additional points. First, from the Federal government's perspective, improving the air service into Jackson Hole would essentially have no downside. Jackson Hole would be a model small community for DOT s pilot program s success. Jackson Hole is a proven small community for airline revenue guarantees, but it is also one that has reached a clear plateau in its air service program. Federal investment here would be a case study in advancing an experienced small community s air service system to a truly improved level for the traveling public. Jackson Hole has worked diligently to prove the small community air service fact that revenue guarantees return more revenue to local and state governments, improve service to the flying public and benefit the community economically by a larger degree than the subsidy level. But, in order to mature the program and rise above the plateau, Jackson Hole needs Federal funds of this pilot program s level and significance.

Second, improving the air service into Jackson Hole will have essentially no downside. From a residents perspec-

tive, it will save the time and natural resources required to drive to distant airports in search of cheaper commercial fares. From a visitors perspective, it will allow more people the opportunity to more easily visit two of the crown jewels of the national park system, as well as the heart of the largest intact ecosystem in the lower 48 states. From an infrastructure perspective, Jackson Hole is already equipped to handle far more people than could ever come to Teton County via air. Also, from a local and state government perspective, these additional visitors will mean additional tax revenues in excess of any amount spent on the subsidies.

Third, this grant is particularly appropriate for Jackson Hole, in that JAC holds the distinction of being the only commercial airport in a national park. Due to Federal restrictions, the JAC runway is shorter than most, limiting the operating parameters of those aircrafts which can come in. As a result, airlines are hesitant to serve JAC with jets, due to weigh restrictions, they are too often unable to fill those jets to capacity. This makes improving both the quantity and, more importantly, quality of seats coming into JAC a significant challenge.

The Federal government appears resolute that the clearest way to address this challenge — lengthening the runway — is incompatible with Grand Teton National Park s mission. Therefore, the only viable way of addressing the JAC challenge is to subsidize those carriers who have and choose to fly Park Service-compatible jets into JAC. Such a solution will not only help the economics of the JAC situation, it will also reduce the environmental consequences on Grand Teton National Park and the Jackson Hole valley of having many more small planes ineffectively trying to replace a few bigger ones.

These environmental costs and benefits are stuck in the same type of vicious circle as are the economic costs and benefits. Without additional outside help to improve the quality of air service, it is unlikely JAC can take meaningful steps to address the environmental challenges it faces by virtue of the large number of smaller aircraft using the facility. Therefore, by granting JH AIR a SCASDPP grant, the U.S. Department of Transportation will help turn both vicious circles — economic and environmental alike — virtuous.

Direct Economic Benefits

Funds received through the SCASDPP would be used to improve the jet service into JAC. As suggested above, tourists into the Jackson Hole market are particularly interested in jet service. Specifically, Jackson Hole s experience guaranteeing jet service into JAC shows a correlation between new jet service and increased winter visitation. In turn, based on that correlation, data suggest a positive relationship between the amount of jet service into Jackson Hole and expenditures by winter tourists. In particular, in 7 of the past 10 years, changes in taxable expenditures by winter tourists have tracked the changes in jet seats into JAC: when jet seats have gone down, so have taxable sales; when jet seats have gone up, so have winter tourist taxable sales (**Figure 18**).

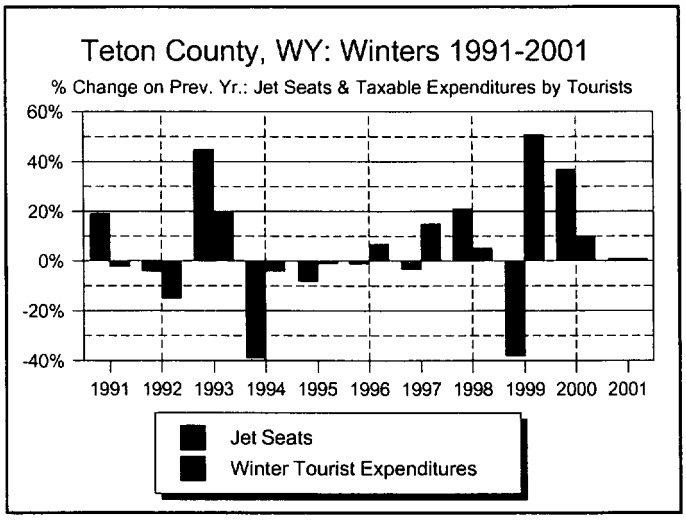


Figure 18

Because of this relationship between jet service and winter tourist expenditures, it seems apparent that if JH AIR's SCASDPP application is funded, the program will provide quick and significant economic benefits to the Jackson Hole community and State of Wyoming.

The SCASDPP grant of $550,000, combined with the JH AIR's local funds, will produce significant new sales tax revenues for the governments of the Town of Jackson, Teton County, and the State of Wyoming.

A recent comprehensive Airline Exit Survey by the Jackson Hole Chamber of Commerce estimates that airline service to Jackson Hole generated between $75 million and $100 million dollars in sales tax revenues in Winter 2003.

The Business Economy

During the past decade, Jackson Hole's taxable sales have increasingly been a function of expenditures made by residents, whether on day-to-day purchases or on the homes they have built. As a result, where tourists accounted for over 60 percent of all taxable sales in 1991, a decade later they accounted for fewer than 50 percent (**Figure 19**).

Although a grant from the DOT's SCASDPP will boost taxable sales by tourists, the simple reality of Jackson Hole is that, after experiencing population growth of over 60 percent during the 1990s, the local economy has become increasingly dependent on residents expenditures.

Indirect Economic Benefits

There are three basic categories of indirect economic benefits which will accrue to the Jackson Hole community if it is awarded a DOT SCASDPP grant: time and money saved/inconvenience avoided; safety and environmental benefits; and closer contact with the rest of the nation and international markets.

Regarding time and money saved/inconvenience avoided, as noted above, many Jackson Hole residents and visitors alike use the Idaho Falls &/or Salt Lake City airports rather than JAC. They do this despite the time, hassles, and inconvenience of traveling hundreds of miles to catch a flight: particularly to families, the additional expense of flying out of JAC simply can t be justified.

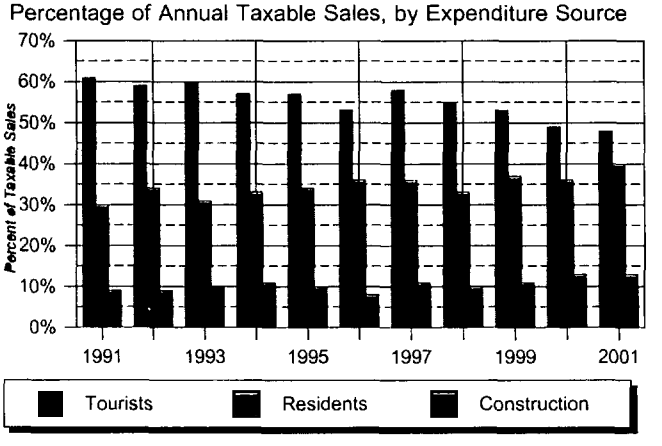
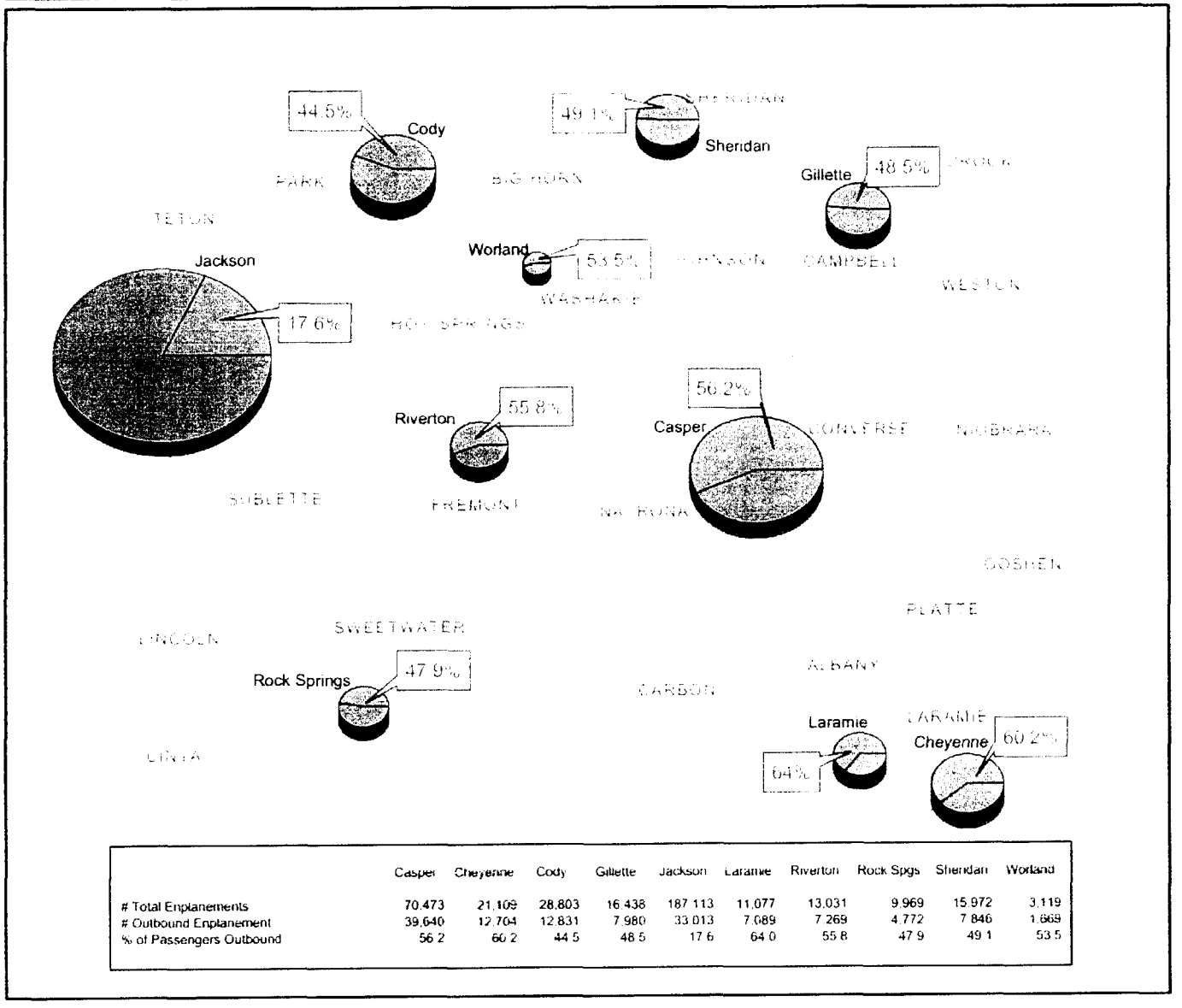


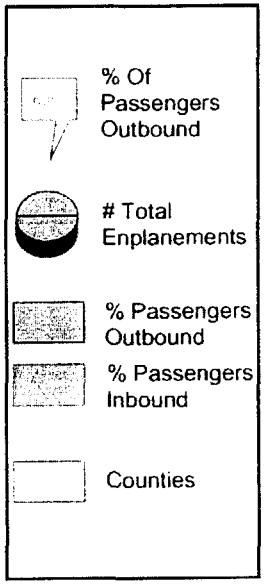
Figure 19

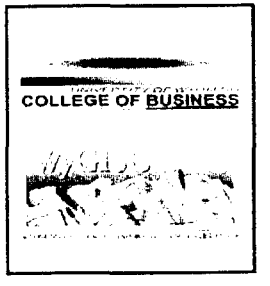
By reducing these trips to and from IDA and SLC, not only will Jackson Hole travelers save money and inconvenience, they will also help the safety and the environment by reducing their driving. Treacherous winter driving conditions have contributed to the deaths of the driving public who might have flown. Additionally, further resources will be saved by replacing numerous small commercial and general aviation flights with the more-efficient jet service the DOT grants will enable. The noise levels over Grand Teton National Park and the rest of the Jackson Hole valley should also be reduced.

Map 1: Wyoming Enplanements: September 1, 2000 - August 31, 2001

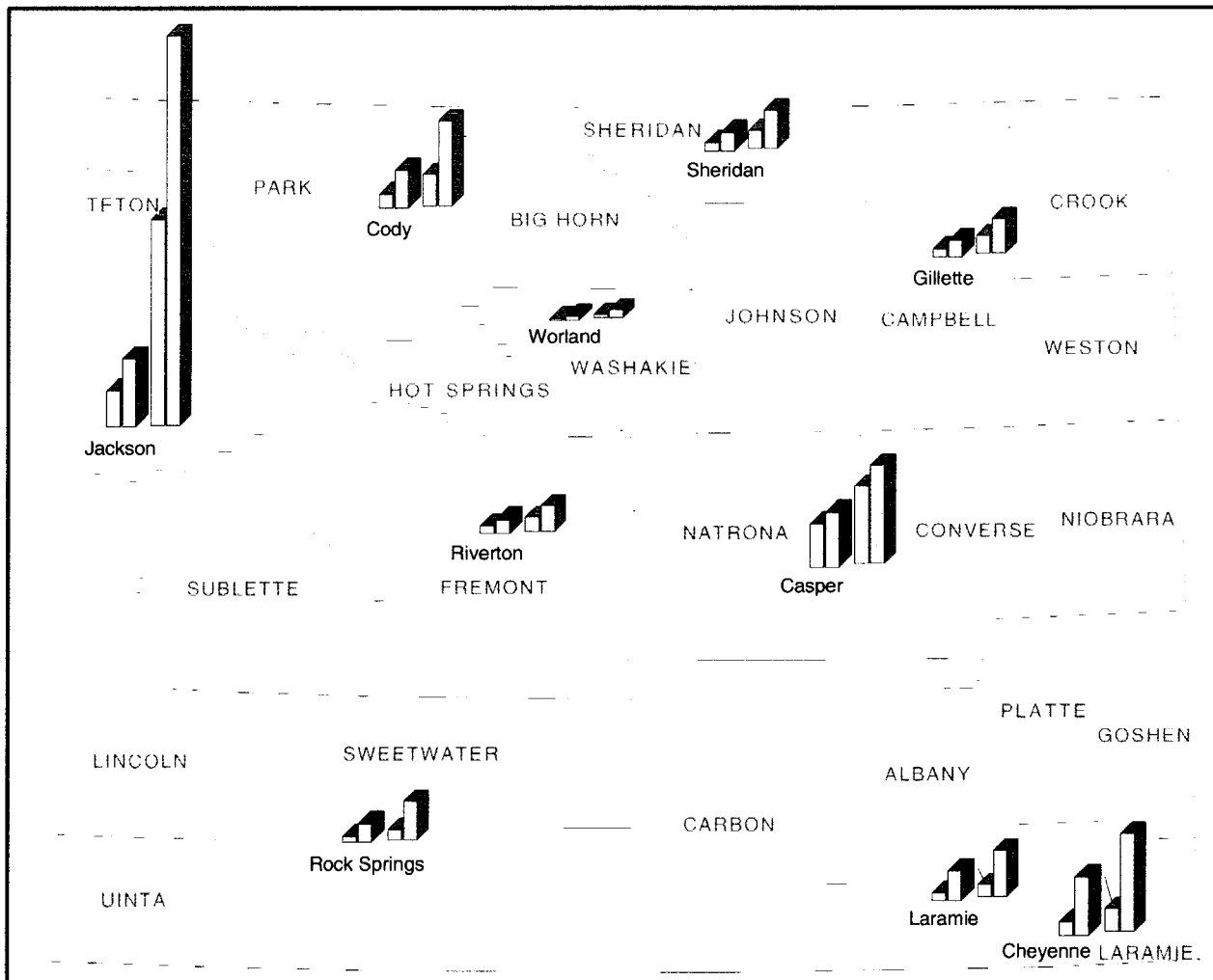


	Casper	Cheyenne	Cody	Gillette	Jackson	Laramie	Riverton	Rock Spgs	Sheridan	Worland
# Total Enplanements	70,473	21,109	28,803	16,438	187,113	11,077	13,031	9,969	15,972	3,119
# Outbound Enplanement	39,640	12,704	12,831	7,980	33,013	7,089	7,269	4,772	7,846	1,668
% of Passengers Outbound	56.2	60.2	44.5	48.5	17.6	64.0	55.8	47.9	49.1	53.5

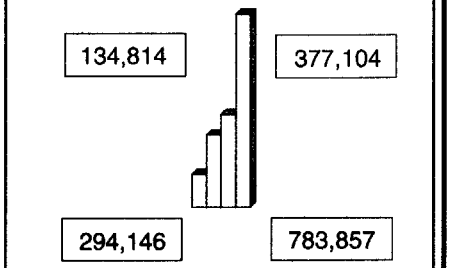


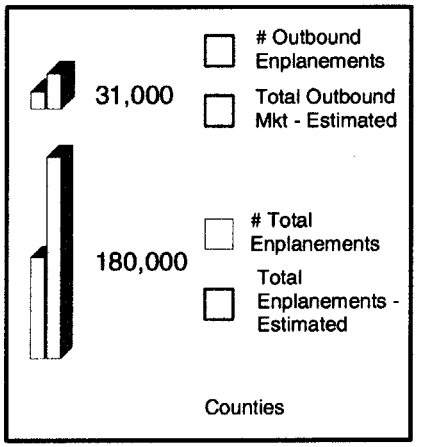


Map 2: Capturing Passenger Leaks - Expanding Wyoming's Air Service Market



Statewide Totals

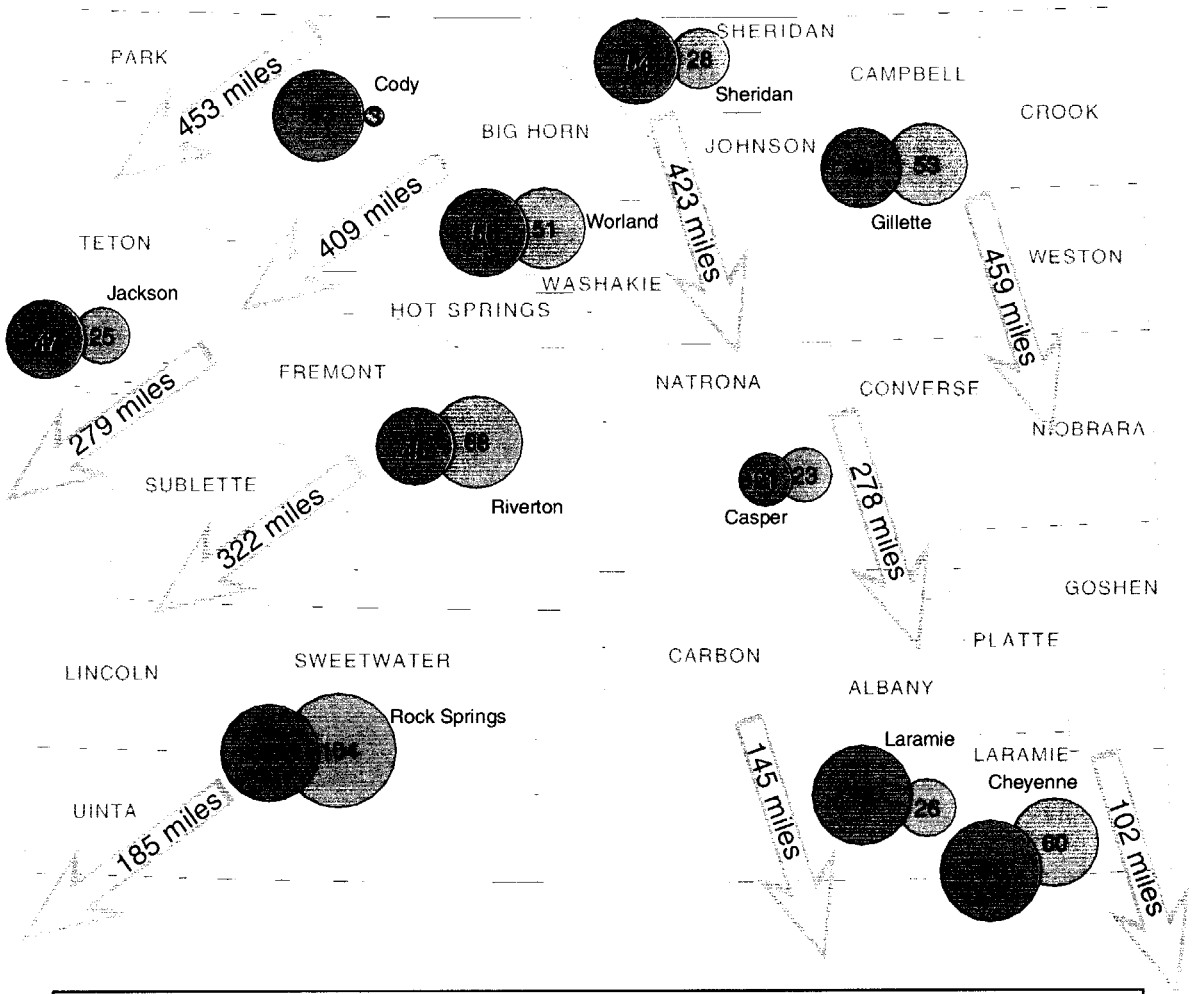


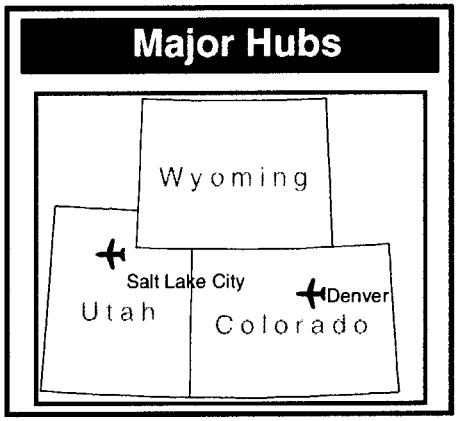


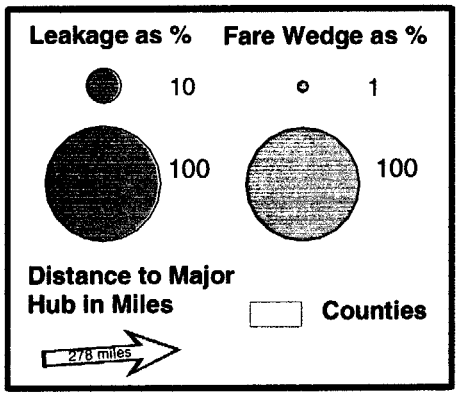
	Casper	Cheyenne	Cody	Gillette	Jackson	Laramie	Riverton	Rock Spgs	Sheridan	Worland	Statewide
# Outbound Enplanements	39,640	12,704	12,831	7,981	33,013	7,089	7,269	4,772	7,846	1,669	134,814
Total Outbound Market - Estimated	50,433	53,378	34,399	15,407	62,289	27,057	13,145	16,922	17,094	4,022	294,146
# Total Enplanements	70,473	21,109	28,803	16,438	187,113	11,077	13,031	9,969	15,972	3,119	377,104
Total Enplanements - Estimated	89,660	88,693	77,220	31,734	353,043	42,279	23,564	35,351	34,797	7,516	783,857

COLLEGE OF BUSINESS

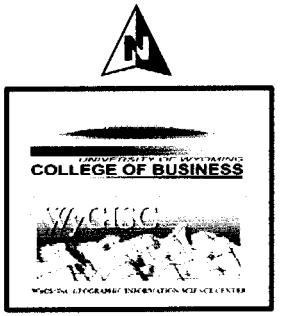
Map 3: Leakage to Major Hubs - Impact of Fare Wedges and Distance



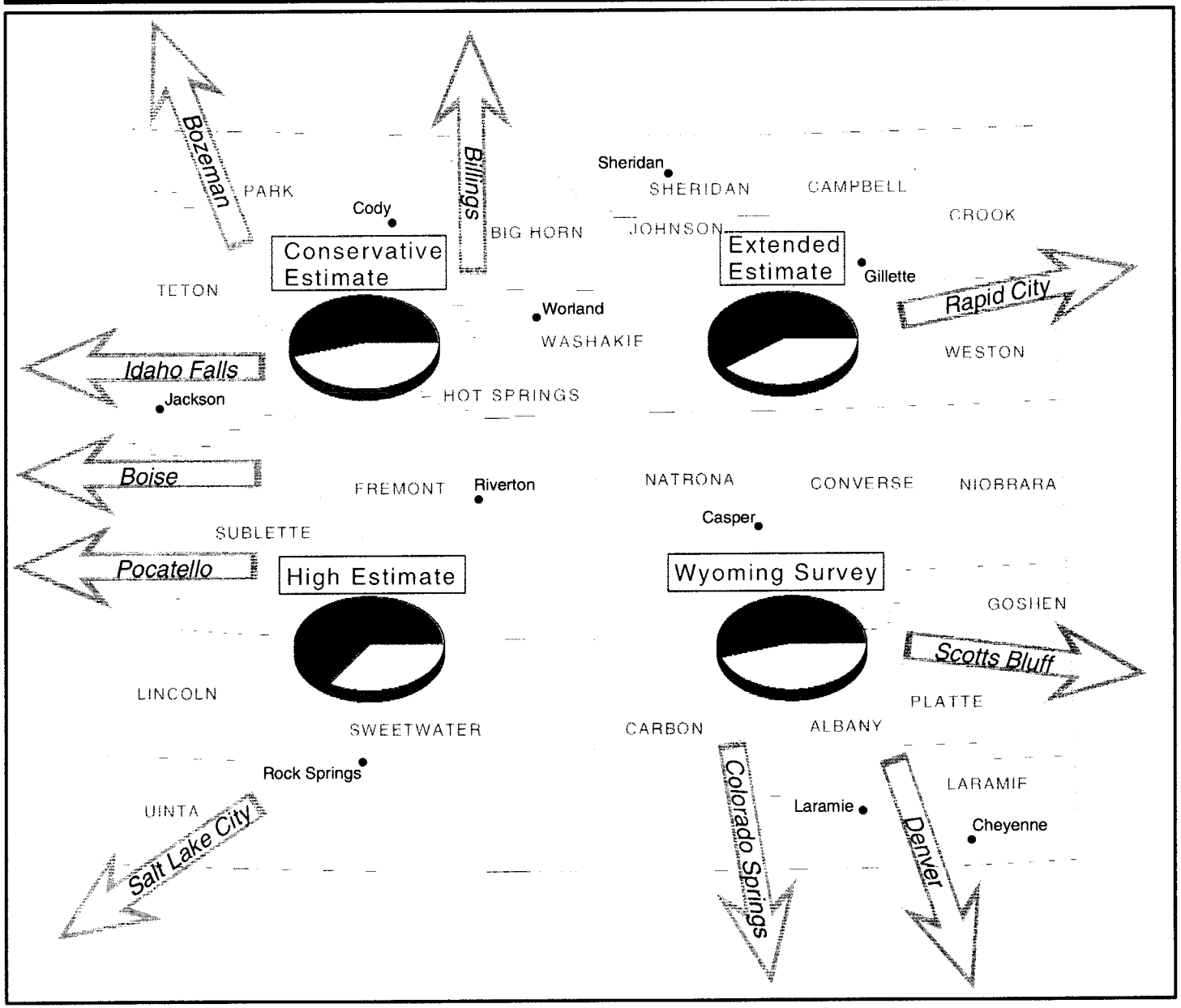




	Casper	Cheyenne	Cody	Gillette	Jackson	Laramie	Riverton	Rock Spgs	Sheridan	Worland
Leakage as %	21	76	63	48	47	74	45	72	54	58
Fare Wedge as %	23	60	3	53	25	26	68	104	28	51
Distance to Major Hubs in Miles	278	102	453	459	279	145	322	185	423	409



Map 6: Estimating Passenger Leakage Using Different Assumptions & Methodologies



UNIVERSITY OF WYOMING
COLLEGE OF BUSINESS

JH AIR ACTION PLAN AND BUDGETS

Jackson Hole Air Improvement Resources (JH AIR)

Business plan and budget projection

1.0 Purpose

Jackson Hole Air Improvement Resources is a private-public partnership that exists to enable improved air service to the small community of Jackson, Wyoming and the flying public using the Jackson Hole Airport. JH AIR is focused on the long-term, with a community business plan that is grounded in community commitment to improved air service. JH AIR is established as a non-profit entity able to receive private sector and public sector funds.

2.0 Funds

Funds collected by JH AIR will be used for strategic revenue guarantee of air carrier service with two key goals:

1. Long-term air service stability;

2. Creating an environment resulting in competitive airfares.

2.1 Fund Management

JH AIR will administer private and public funds as outlined by its articles of incorporation [see attachment L].

JH AIR is governed by a twelve-member board and four ex officio members representing the Town of Jackson and Teton County.

3.0 JH AIR Budget, FY 2003-2004

$550,000 Small Community Air Service Development Pilot Program funds

$630,000 JH AIR community funds raised privately

Action Plan Total $1,180,000

SCASDPP GRANT REQUEST

Jackson Hole Air Improvement Resources
(JH AIR)

	2003
Minimum Revenue Guarantee (MRG)	$980,000
Marketing and Administration	$200,000
TOTAL MRG	**$1,180,000**
TOTAL SCASDPP GRANT	**$550,000**
JH AIR COMMITMENT	**$630,000**

JACKSON HOLE AIR CAPACITY FORECAST FY2004

DEC. 1, 2003 THROUGH NOV. 30, 2004

	City Pair	Equipment	Avg Seats	Operations	Seats	*MGR2004	$/seat
American	ORDJAC	B-757	176	340	59840		
	DFWJAC	B-757	176	0	0		
	Total			340	59840	300,000	5.01
Continental	EWRJAC	B-757	183	0	0		
	IAHJAC	B-73G	124	0	0		
	IAHJAC	B-757	183	0	0		
	Total			0	0		
Delta	ATLJAC	B-757	182	24	4368		
	SLCJAC	B-737	128	400	51200		
	SLCJAC	EM2	30	2500	75000		
	DFWJAC	B-757	182	26	4732		
	Total			2950	135300	230,000	1.70
Northwest	MSPJAC	A-319	124	200	24800	250,000	10.08
United	DENJAC	A-319	124	650	80600		
	DENJAC	DO32	32	0	0		
	DENJAC	DH8	37	700	25900		
	ORDJAC	B-757	188	0	0		
	Total			1350	106500	200,000	1.88
Total Market					326440	980,000	
Administrative and Marketing Expenses						200,000	
Total						**$1,180,000**	**$3.61**

**MRG - Minimum Revenue Guarantee*

into JAC from viable markets.

CONCLUSION

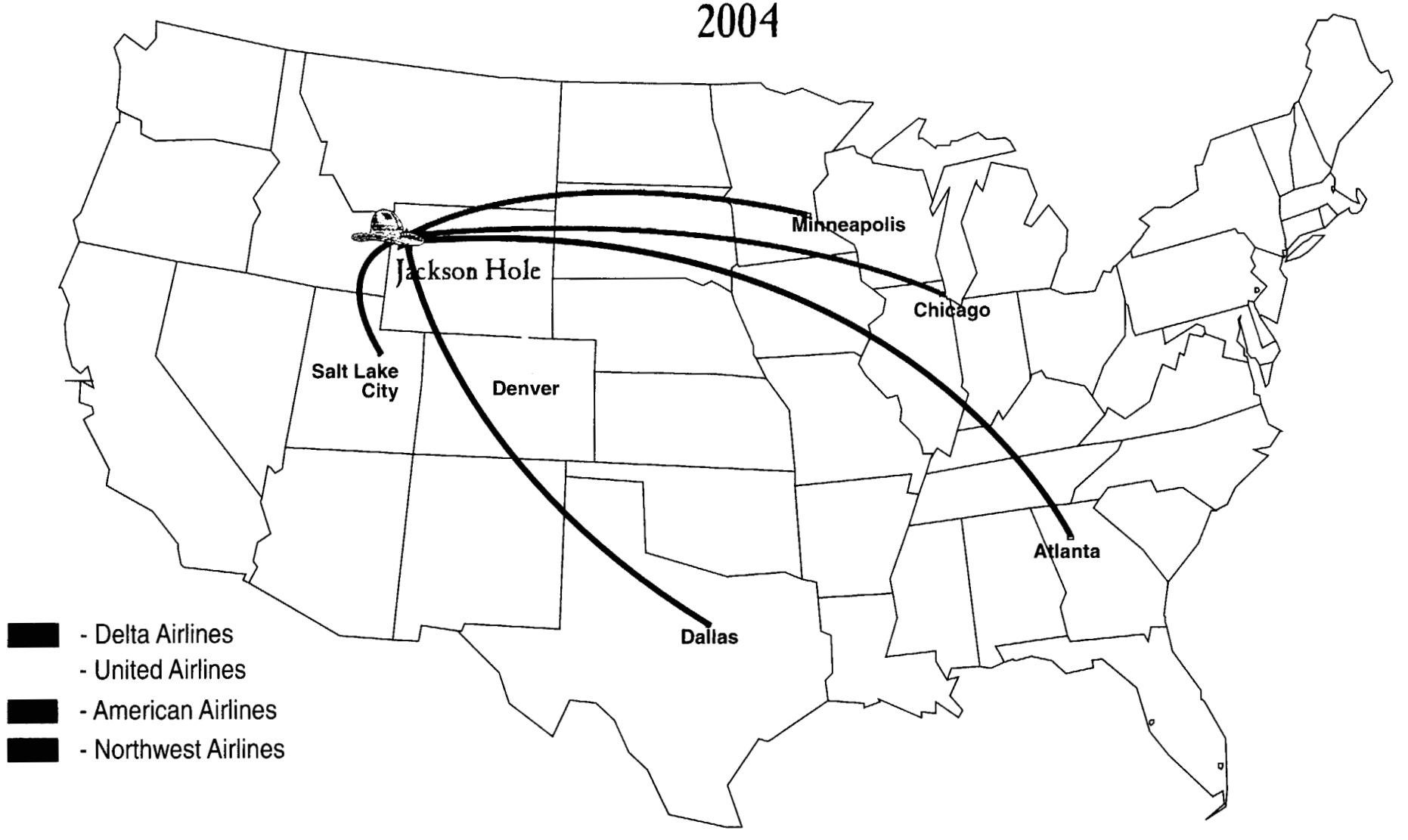
As detailed throughout this application, Jackson Hole has had supporting relationships with the Airlines (AMERICAN, CONTINENTAL, DELTA, NORTHWEST, UNITED) for over two decades.

Jackson Hole is ideally positioned to leverage the benefits derived from the Small Community Air Service Development Pilot Program. JH AIR, as the Sponsor, is committed to the success of the grant and is uniquely qualified to assure a win-win scenario for this important program.

History	This community has a history of two decades of successful development of air service improvement in JAC.
Diverse Economy	In combination with tourism, the economic diversification of Jackson Hole supports year-round air service demand.
Knowledge	JH AIR has a full and complete understanding of successful airline support business models.
Relationships	JH AIR maintains a historic and continuous working relationship with Airlines and is capable of negotiating air service contracts
Marketing	Increased seat inventory does not in and of itself assures a successful air program. JH AIR has, and will continue to, develop packages and marketing plans targeted to the execution of successful air service support contracts.
Timing	Jackson Hole, based on past success, increasing demand, and resultant pending interest from carriers is more likely to deliver a favorable outcome.
Matching Funds	JH AIR s proposal leverages DOT funding with a matching local commitment of $600,000
Business Plan	The JH Air Business Plan is specific, executable and flexible enough to respond to the sometimes volatile Airline partnering requirements.

In summary, JH AIR is uniquely qualified to receive, and more importantly, to be successful with proceeds from a $550,000 grant from the Small Community Air Service Development Pilot Program. We look forward to working with DOT in clarifying any part of our proposal.

Jackson Hole Air Service
2004



AIR SERVICE AND JACKSON HOLE'S ECONOMY

by Jonathan Schechter, Charture Institute

Introduction

Jackson Hole is situated in a high mountain valley in northwestern Wyoming. The Jackson Hole valley lies in the center of Teton County, Wyoming, and is home to nearly all of the county s 18,500 residents.

Ninety-seven percent of Teton County is publicly owned and managed. Within the county's boundaries lie all of Grand Teton National Park, the southern half of Yellowstone National Park, portions of three national forests, the National Elk Refuge, and thousands of acres of other federal, state, and local public lands. The privately owned lands in the Jackson Hole valley are completely surrounded by public land, and form the heart of the Greater Yellowstone Ecosystem. As such, Jackson Hole can be thought of as an island of private land in the middle of millions of acres of public property.

This geographic reality drives the economy of Teton County. Because of the area's scenic beauty, Jackson Hole has long served as a magnet for visitors from around the world. As such, for much of the 20th century, tourism was the engine powering Teton County. In particular, during the last 10 years or so, Teton County has seen a tremendous jump in its economy and population (according to the Census Bureau, Teton County was the 41st fastest-growing county in America during the 1990s).

While tourism remains important, this rapid growth has been fueled by fundamental changes in America's economy, technology, and values. These changes — away from manufacturing and toward services; toward telecommuting and more relaxed workplace attitudes; away from urban centers and toward smaller towns offering higher quality of life — are resulting in unprecedented population booms in national park gateway and resort communities throughout the country. As a result, for many of the same reasons that have long-attracted tourists, during the past decade Jackson Hole has become home to an increasing number of people who can live any place they want. One consequence of this growth is that the community s economic base is rapidly shifting away from its historic dependence on tourism, diversifying this traditional base with a booming investment and white-collar services sector (see **Figure 1**).

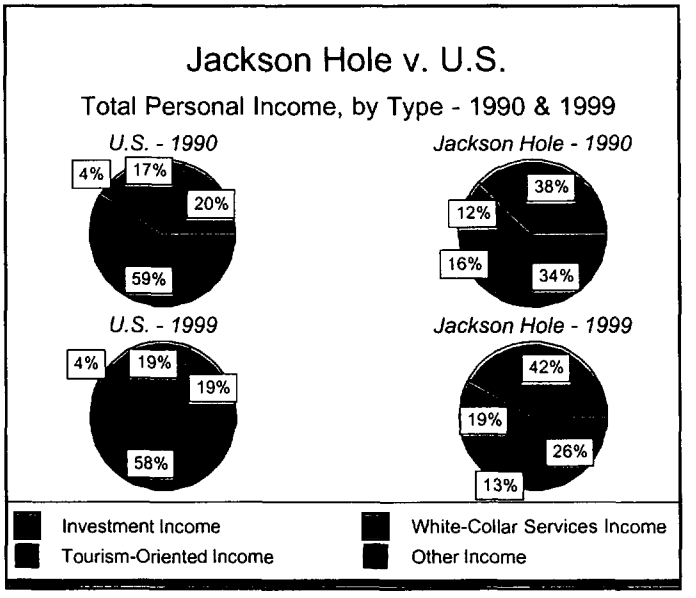


Figure 1

From an infrastructure perspective, what ties tourism and investments/white-collar services together — what links Jackson Hole s economic past with its future — is the community s need for reliable, frequent, and reasonably priced air service.

However, despite nearly two decades of broad-based community subsidies to improve Jackson Hole s air service, Jackson Hole has not been able to achieve the quantity and quality of service — sufficient capacity and quality of seats, at sufficiently competitive fares — that it needs if its economy is to continue to thrive in the future. As a result, the community's travelers and visitors alike find themselves actively seeking cheaper and more competitive alternatives to using the Jackson Hole Airport (JAC), be they other regional airports (Idaho Falls, Idaho — IDA — a two hour drive from Jackson Hole), distant hubs (Salt Lake City, Utah — SLC — a six hour drive),

or, increasingly, private alternatives (charter services). Despite the inconveniences presented by each alternative, each has found a receptive market among travelers frustrated by limited and expensive air service into and out of JAC.

The Department of Transportation s (DOT) Small Community Air Service Development Pilot Program (SCASDPP) is well suited to address Jackson Hole s urgent air service dilemma. By providing additional funds to complement the community s current revenue guarantee programs, the SCASDPP should allow Jackson Hole to break through its current service restraints and enter into the virtuous circle of better service leading to better fares, leading to increased demand, leading to better service. This is a breakthrough which, despite its best efforts, Jackson Hole has been unable to make on its own.

This document will examine the economics of air service into Jackson Hole, and make the economic case for the DOT s support of Jackson Hole s application for SCASDPP funding.

Jackson Hole s Economy

Economic Drivers

During the past three decades, Teton County has enjoyed a rapid expansion of its economy: total income has grown more than thirty-fold; per capita income has grown nearly ten-fold. Along with that growth has come a fundamental change in the county s economic base: in 1969, tourism-related jobs accounted for 1 out of every 4 dollars of Teton County s residents income; thirty years later, the figure was 1 out of every 8.

More telling, in 1969, white-collar service sector jobs (e.g. finance, real estate, medicine, law, engineering) generated only $4 for every $10 earned in tourism; in 1999, white-collar service jobs accounted for $15 for every $10 earned in tourism. Further, during that same period, investments went from accounting for as much of residents income as did tourism, to accounting for more income than tourism and white-collar services combined (**Figure 2**).

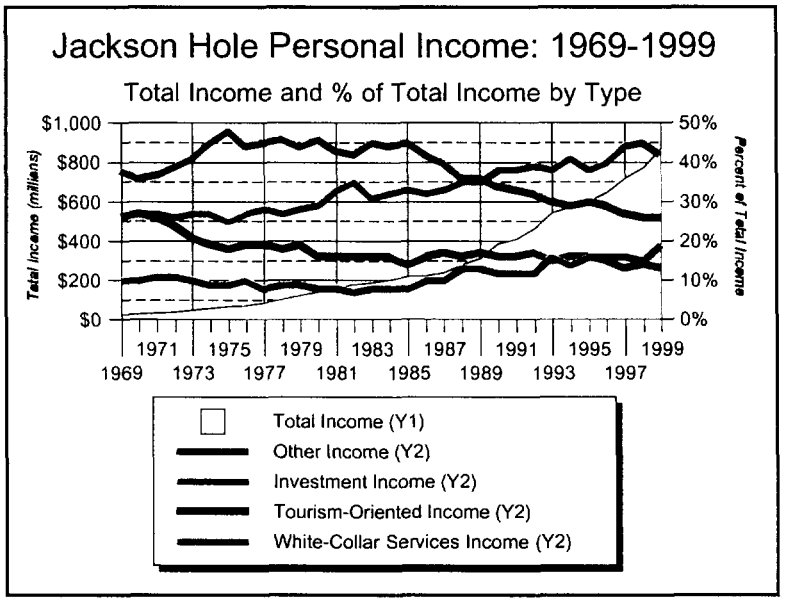


Figure 2

Local Government Finances

Wyoming is one of the few states without an income tax. Both state and local government are dependent on sales and property taxes for their revenue. For the governments of the Town of Jackson and Teton County — where 97 percent of the county is publicly owned, almost all by the federal government — revenue sources are constrained. Both of these sources are proving increasingly problematic for the governments of Teton County and the Town of Jackson. By law, the federal government has exempted itself from paying local property taxes, making sales taxes even more important to local government than elsewhere in the state. However, unlike tourism-related expenditures, state law exempts both investments and white-collar services — the real growth areas of Jackson Hole s economy — from sales taxes. As such, as the local economy shifts away from tourism, local governments find themselves increasingly hard-put to generate the revenues needed to service a rapidly-growing population.

Air Service and Jackson Hole s Economy

Because of its geographic isolation, getting to Jackson Hole has always been a challenge. The valley s significant distance from major metropolitan areas and the fact it is entirely surrounded by public lands make Jackson Hole, in many ways, a land-locked island: both can be reached only after a long journey via either slow transport (boats for islands, cars for Jackson Hole) or, theoretically, more conveniently by air.

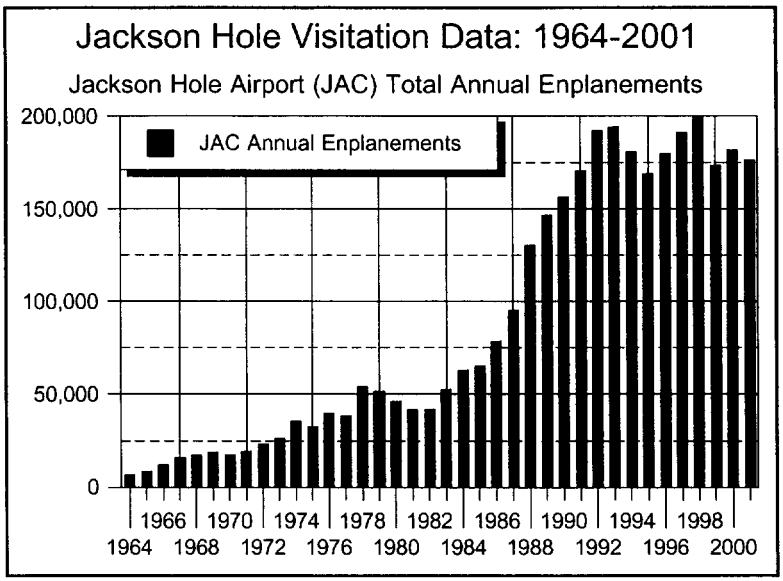


Figure 3

Jackson Hole s airport has existed for over three-quarters of a century. For historical reasons, it is the only commercial airport in a national park. Although commercial air service to the Jackson Hole Airport (JAC) began in 1946, it wasn t until jet service was inaugurated in the early 1980s that commercial air travel into Jackson Hole became an important economic driver (**Figure 3**). During the 1980s, annual enplanements at JAC tripled, directly contributing to rapid and sustained growth in skiers visiting the Jackson Hole Mountain Resort (commonly referred to as Teton Village) (**Figure 4**).

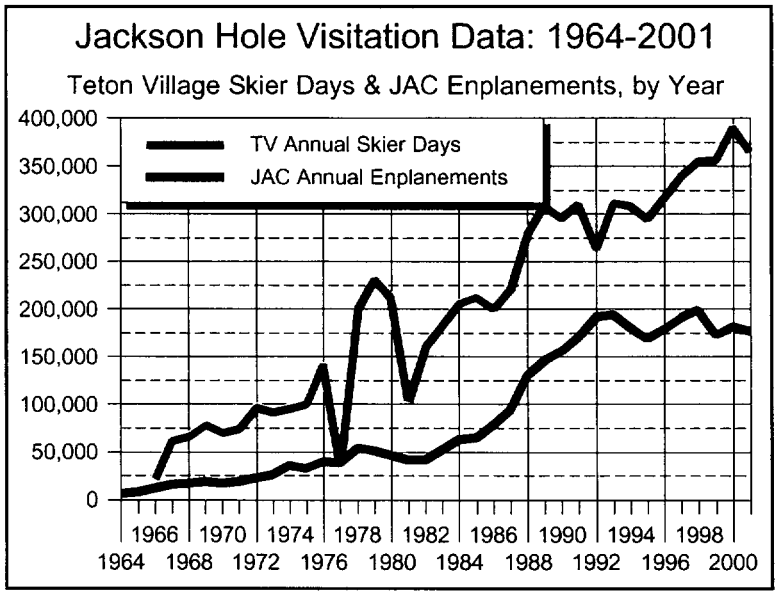


Figure 4

(Note: In the early 1990s, both Grand Teton and Yellowstone national parks changed their methodology for counting visitors. As a result, accurate comparisons cannot be made between national park visitation counts before and after 1991. In addition, little current research exists on summer visitor expenditures. Hence, because of data quality, this study s primary tourism focus is on winter ski visitation.)

The Jackson Hole Mountain Resort (JHMR) started serving skiers in 1966. Until that time, economic activity in Jackson Hole was primarily limited to the summer tourist season. In fact, essential to the founding of JHMR was a low-interest loan from the federal government, granted because Jackson Hole was viewed as an economically impoverished area.

Federal and local dreams that a ski area would produce a broader economy in Jackson Hole initially foundered, however, because of access issues: Jackson Hole was simply too isolated to attract large numbers of winter visitors. As a result, the community recognized that, to achieve economic success, it would have to begin subsidizing air service to the area with revenue guarantees.

Due to restrictions on aircraft types stemming from its location within Grand Teton National Park, direct jet service to JAC was not possible during the late 1970s. Accordingly, in 1979, the community began subsidizing charter flights to the airport in Idaho Falls. This was a sub-optimal solution, as it required visitors to take a two hour bus ride over icy mountain roads and passes. However, the service did serve to increase skier days (**Figure 4**, redux).

Charter jet service was not viewed as necessary during the summer months, as the 2-3 million annual visitors to Grand Teton and Yellowstone national parks were content to come by car or bus. However, it was quickly realized that, in the interests of truly expanding the year-round economy, it was important to expand commercial air service directly into JAC. Hence, in the early 1980s, attention was focused on two fronts: working with the National Park Service to allow jet service into JAC, and creating revenue guarantee programs to bring in that vital jet service.

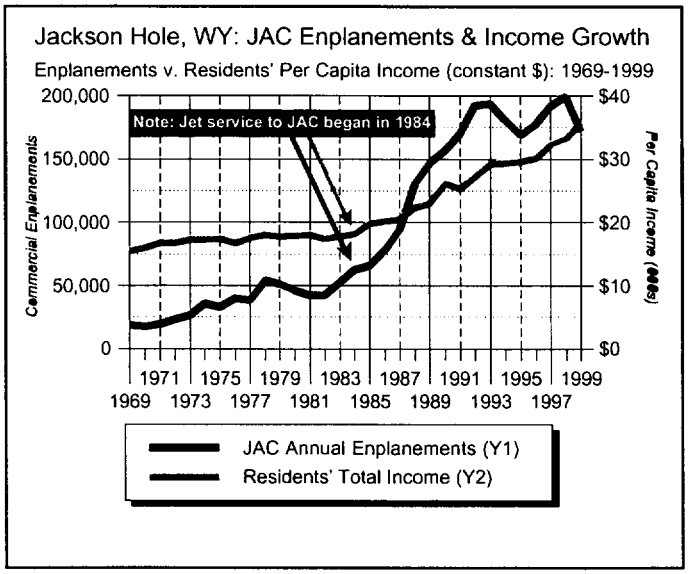


Figure 5

These efforts succeeded: the first commercial jet service into JAC began in 1983, and the airport continues to be serviced by jets to this day. The positive effects for the local economy quickly became clear. Between 1969 (the first year for which data are available) and 1984 (the first year of regular jet air service into JAC), Teton County s constant dollar per capita income increased a total of 17 percent. Between 1984 and 1999, it increased 100 percent (**Figure 5**). Put another way, in the 15 years before regular jet service to JAC, Teton County s per capita income grew 1 percent annually; in the 15 years following, it grew 5 percent annually.

That Jackson Hole s per capita income doubled since jet service was introduced in 1980 is more than coincidence. Interviews with real estate agents, businessmen, travel agents, and others in the community point to the importance of regular, reliable air service into Jackson Hole as a critical determinant to many people interested in moving to the area. These same people express concern about recent trends toward insufficient service, at much higher — and often unaffordable — prices.

Airline Subsidies in Jackson Hole

Commercial Air Service in Jackson Hole

As noted above, jet service to JAC began in 1980, with Frontier flying from Denver. On-going jet service revenue guarantees by the Jackson Hole community began in 1986, with one American Airlines jet daily from Chicago during the winter ski season. That revenue guarantee program has continued through today in combination with successful targeted marketing and sales plans.

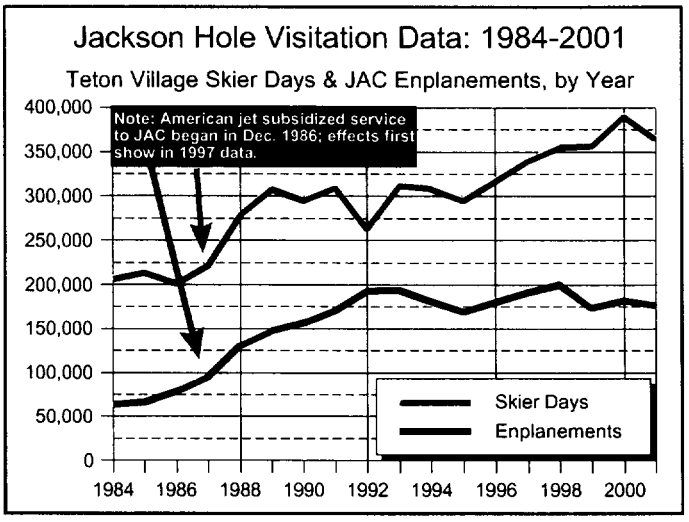


Figure 6

The American revenue guarantee was significant for Jackson Hole in two different ways. First, as a rule of thumb, although jet service into Jackson Hole during the summer is profitable for airlines, summer service is not sufficiently profitable by itself to justify serving the Jackson Hole market, whether during summer alone or in other seasons too. Accordingly, through guarantees for its winter flights,

American was also able to service JAC in the summer. Both the winter revenue guarantee and summer profitability were needed to bring American Airlines to Jackson Hole.

The second reason the American contract was significant for Jackson Hole is because it initiated a period of rapid growth in both air service and winter tourism. In particular, during the five years following the start of American s jet service from Chicago, skier days at the Jackson Hole Mountain resort increased 50 percent; enplanements at JAC doubled (**Figure 6**).

Following this surge in the latter 1980s, Jackson Hole s tourism growth tapered off during the 1990s: national park visitations were actually lower in 2001 than they were a decade earlier, and after doubling in the 1980s, skier days and enplanements showed only modest growth during the 1990s (**Figure 7**).

Enplanements also flattened during the 1990s. After the American service began in 1986, other airlines began regular (whether year-round or seasonal) jet service to Jackson Hole. The growth in carriers and service peaked in 1992 and 1993, when four carriers — American, Continental, Delta, and United — each provided at least one jet per day into JAC: Continental and Delta year round; American, and United seasonally.

The large amount of inventory resulted in very favorable rates to and from JAC. As a result, 1992 and 1993 saw record enplanement levels at JAC. However, service in subsequent years tapered off, particularly after Continental pulled out of the Jackson Hole market (a decision related to a larger shift in strategy by Continental, de-emphasizing its Denver hub) (**Figure 8**).

Recognizing the close link between air service and the community s economic health, and recognizing that the changing economics of the airline industry would require greater financial commitment from secondary markets like Jackson Hole, beginning in 1994 the Jackson Hole community began increasing its efforts to guarantee air service (**Figure 9**). This additional service led to increases in both enplanements and skier days. Further, these additional guarantees contributed to sustainable economic growth, by allowing the Jackson Hole Mountain Resort to cross a key threshold of 325,000 annual skier days (**Figure 6**, redux).

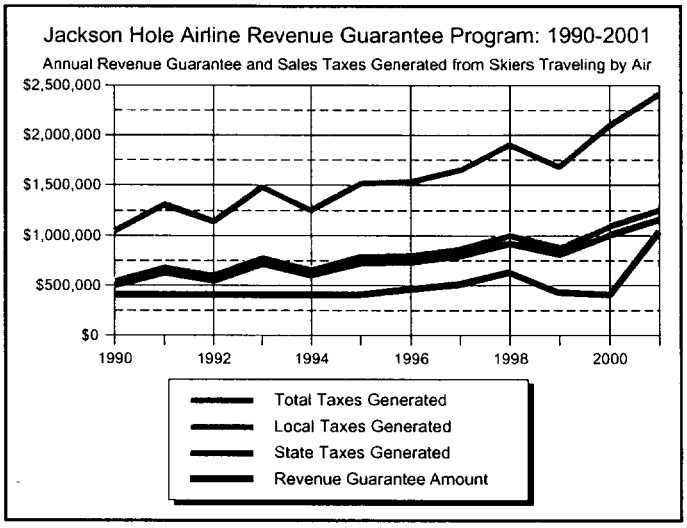


Figure 10

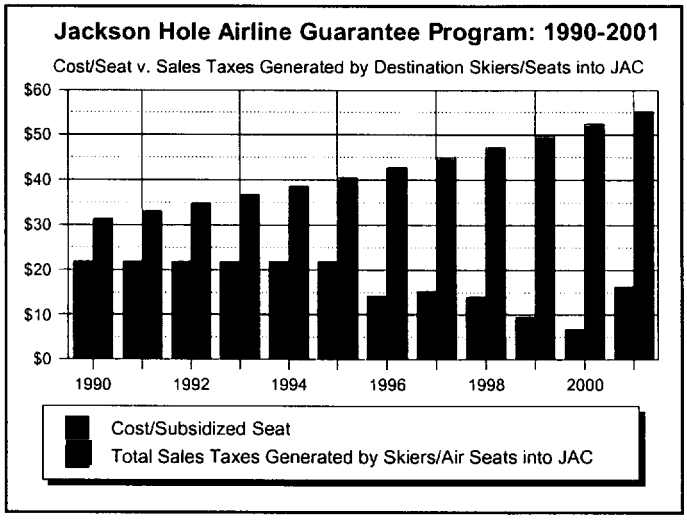


Figure 11

The Economics of Airline Revenue Guarantees in Jackson Hole

In Jackson Hole, there is a clear inverse relationship between the number of airline seats coming into the community and the price of those seats: more supply produces lower prices; less supply produces higher prices. This was most clearly demonstrated during the peak service years of 1992 and 1993 — when carriers subsequently reduced their service, fares went up.

As noted, in an effort to both boost seats and reduce fares, the Jackson Hole community expanded its air service revenue guarantee program in 1994, entering into a program with United for jet service from Denver. As was the case with American Airlines years earlier, this revenue guaran-

tee allowed United to justify bringing unsubsidized jets into JAC during the summer; here too, enplanements rose in response to additional capacity and lower fares.

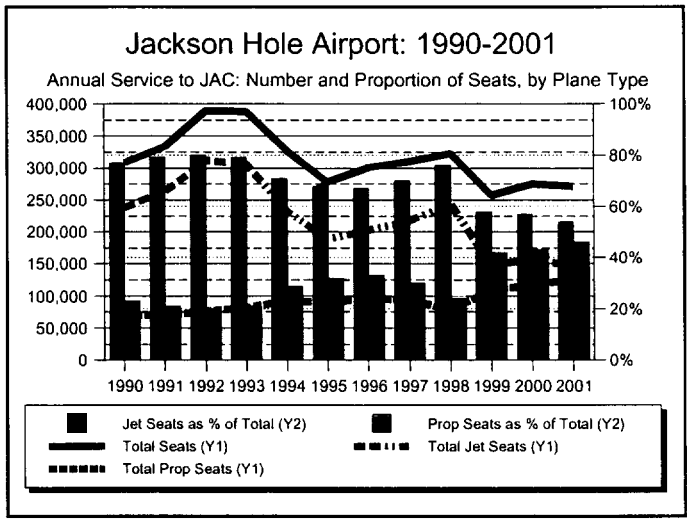


Figure 12

Jackson Hole s experience has been that, economically, successful revenue guarantee programs are a function of far more than a simple one-off contract including marketing support with a carrier. Instead, successful revenue guarantee programs mature over time. Subsidies minimize the financial risk carriers face while establishing new service, a risk which goes away in future years as customers take increasing advantage of the opportunities presented by the new service.

Jackson Hole s United Airlines revenue guarantee program is a clear example of this maturation process. Initially, United brought just one jet per week during the winter. Based on the success of that first year, in the second year they expanded service to a daily jet; the following couple of years, the program expanded to two daily jets. While the revenue guarantee amount went up slightly with each addition to service, these additional costs were more than made up in the increase in enplanements and load factors.

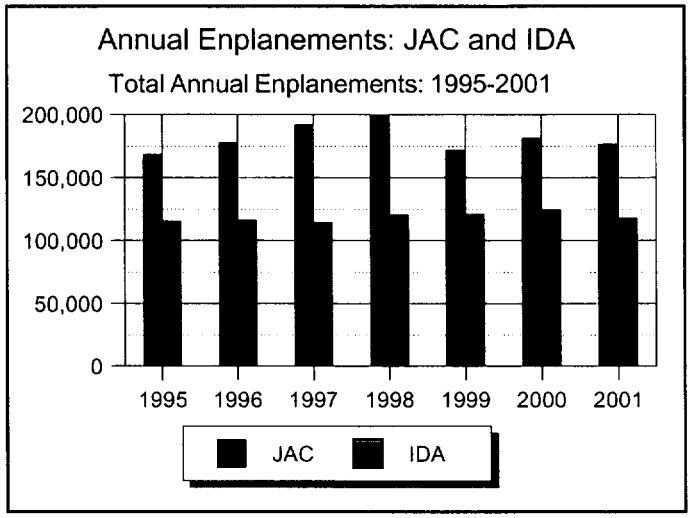


Figure 13

Further, the economic sustainability of the program for the community proved itself in not only the expenditures by the additional tourists coming to Jackson Hole, but also in the additional sales taxes flowing to local government. In fact, since 1990 (the first year for which sales tax data are available), the amount of additional sales taxes generated by skiers flying into Jackson Hole has more than offset the amount paid to subsidize air service into Jackson Hole (**Figures 10 and 11**).

Of greater significance is the fact that this calculation focuses just on winter visitors. As noted above, the revenue guarantee programs not only bring jets into Jackson Hole during the winter; they also help the airlines justify serving Jackson Hole in the summer. As such, any full evaluation of the benefits of airline subsidies will include not only the better-than-break-even winter performance, but also the additional direct benefits of increased summer visitation, and the benefits — both direct and indirect — experienced by Jackson Hole s residents during the two seasons.

Another clear example of the inverse relationship between available seats and air fares — albeit in the opposite direction — is found in the consequences of Delta s decision to stop flying jets into JAC. After years of providing 3 jets per day, year-round, from Salt Lake City, Delta ceased serving JAC in October 1998, changing all its system service to SkyWest prop planes.

Delta s pull-out hurt Jackson Hole in two ways. The first was in loss of supply. Even though SkyWest nearly doubled the number of seats it brought into JAC, the Delta system s overall service to JAC dropped sharply, from 106,347 total seats in 1997 (75,681 on Delta jets and 30,666 on SkyWest props) to 63,086 in 1999 (all SkyWest props). This loss of over 43,000 seats represented a 41 percent drop in Delta-affiliated seats, a 14 percent drop in all

seats, and a 35 percent drop in jet seats into JAC (**Figure 12**).

The 1998 Delta pull-out also hurt Jackson Hole because the switch from Delta jets to SkyWest props meant not only fewer seats, but lower-quality seats (30 seat prop planes are not viewed as favorably by the flying public as are 124 seat Boeing 737s). The combination of these two harms led to a sharp rise in prices into and out of JAC, which in turn produced a drop in enplanements (50-70 percent average load factor).

Delta s pull-out from Jackson Hole was a clear demonstration of how vulnerable air fares are to small capacity changes. Jackson Hole s experience shows that adding marginally more capacity can produce big drops in prices; losing small amounts of capacity can produce large increases in prices. Such a price hike is what happened after Delta pulled out in October 1998; of particular interest is how Jackson Hole residents and visitors alike responded.

As noted earlier, the closest commercial airport to JAC is in Idaho Falls, Idaho. Although that airport emplanes only around two-thirds of those flying from JAC (**Figure 13**), the Idaho Falls Airport (IDA) makes a particularly useful point of comparison because, in October 1998, Delta also chose to replace its jets into IDA with SkyWest flights (in the case of IDA, a combination of prop planes and regional jets).

For a variety of reasons, following the Delta pull-out, apples-to-apples fares (same route, same fare basis) from IDA suddenly were significantly cheaper than those out of JAC. As a result, where JAC saw a 14 percent decline in enplanements in 1999, IDA saw a slight increase (**Figure 14**). This came on top of IDA s big increase in the final quarter of 1998, following Delta s pull-out from both JAC and IDA. This fare disparity continues today.

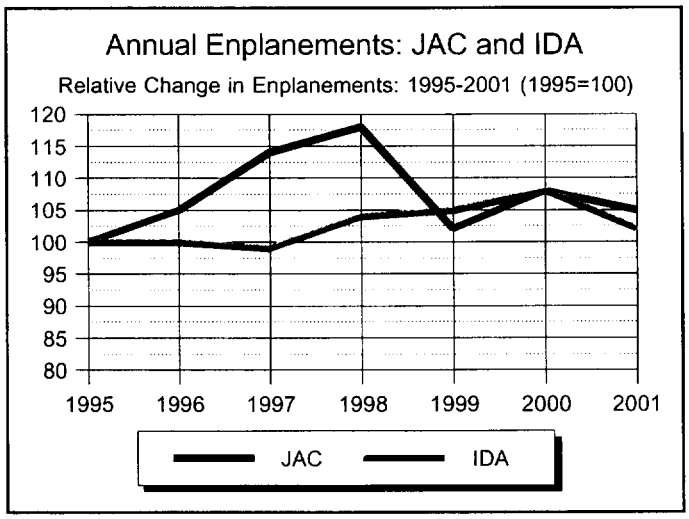


Figure 14

As a result of the competitive disadvantage JAC faced, in 2000 the Jackson Hole community once again expanded its revenue guarantee program, sponsoring the resoration of a daily Delta jet from SLC during the winter. As anticipated, the program worked and emplainements went up (**Figure 15**). In fact, it was so successful that none of the revenue guarantees had to be paid.

A year later, the Jackson Hole community again expanded its revenue guarantee program, working with American to add a daiy jet from DFW. Once again, winter enplanements went up. In fact, it appears likely that the reason JAC saw such a small drop-off in enplanements for all of 2001 was due to the maturity and success of its revenue guarantee programs. Even with dramatic drop offs following Septemeber 11, annual enplanements for the year were off just 3 percent. Needless to say, without the revenue guaranteed contracts Jackson would have been vulnerable to the widespread reduction in capacity experienced elsewhere in Wyoming and the region.

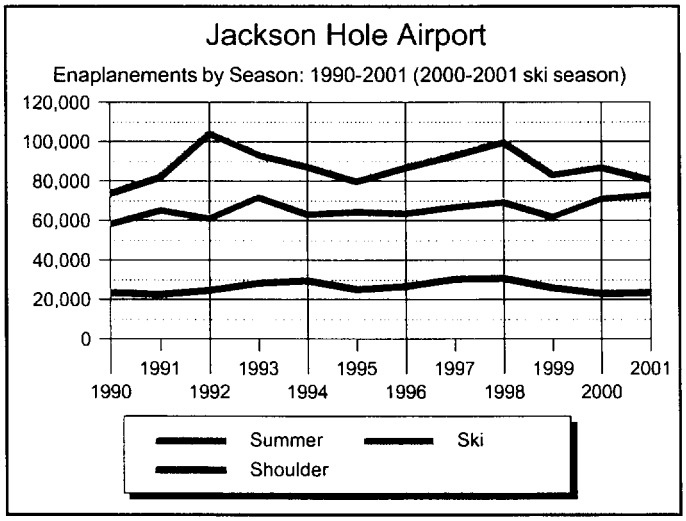


Figure 15

This relatively minor drop for 2001 is all the more notable in light of the other response to Delta s pull-out taken by Jackson hole residents and visitors: a dramatic surge in general aviation traffic. After almost a decade of 5,000 private plane landings per year, in 2000 and 2001 there was a huge amount of general aviation activity **(Figure 16)**. Had this phenomenon occured post September 11, it could be attributed to safety concern. However, that the increase in general aviation began well before September 11 suggests both visitors and residents were finding chartering a plane an economic alternative to flying commercially.

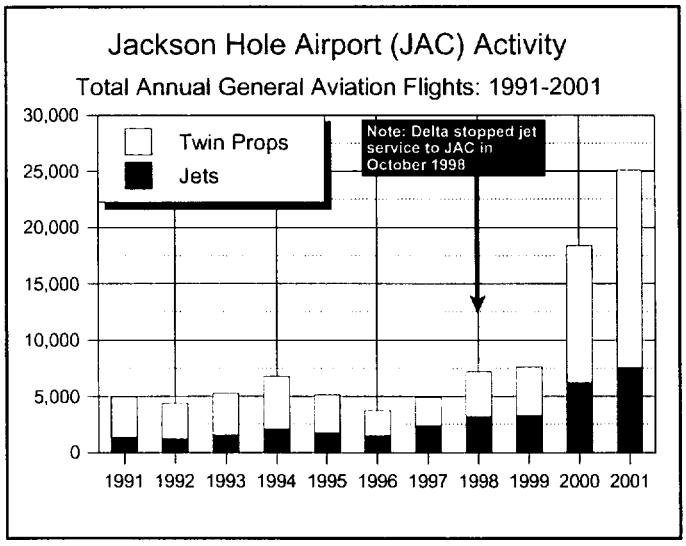


Figure 16

Focusing on Jackson Hole residents, over the past decade Teton County residents accounted for one-third of all JAC enplanements each year **(Figure 17)**. However, this alone does not account for all air travel by Jackson Hole residents. Even though it is a two-hour drive to Idaho Falls, it is not uncommon for Jackson Hole residents -- struggling to find lower fares -- to fly out of IDA. Indeed it is not uncommon for 20 percent of the cars in the IDA parking lot to be licenced to Teton County, Wyoming. The favorable fares offered to and from IDA are particularly attractive to Teton County families.

In fact, fare disparities are often so great that many Jackson Hole families drive six hours to Salt Lake City. Indeed because of these price disparities, there is a growing market for the bus shuttle services that operate between Jackson Hole and IDA, and between Jackson Hole and SLC.

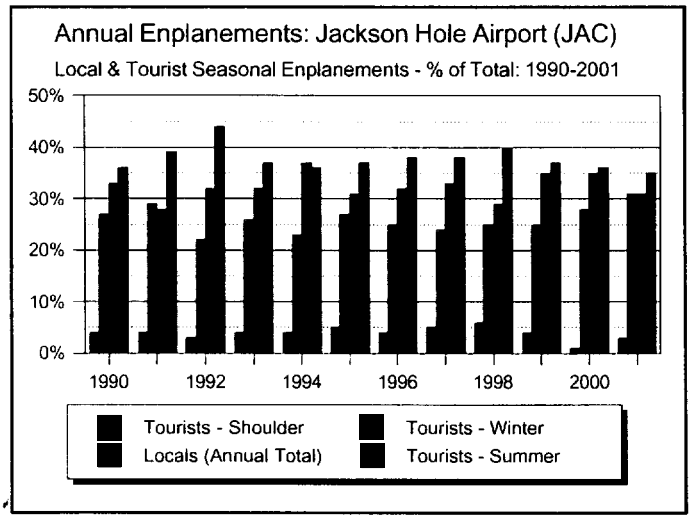


Figure 17

JACKSON HOLE AIRPORT BUDGET FISCAL YEAR 2002-2003

OPERATING INCOME		
AIRLINE	Rent/Ramp	**146,714**
AIRLINE	Land Fee	**383,931**
TSA - LEO		**53,000**
	Hold Room	**51,440**
RENTAL CAR		**1,062,000**
LANDING FEE	Other	**89,800**
FAA & NPS	Rent	**11,664**
JHA	Rent/ Op. Fee	**306,164**
FOOD AND BEVERAGE		**38,000**
PARKING AND GROUND TRANSPORTATION		**130,000**
ADVERTISING & MUSEUM		**98,500**
GAS TAX REFUND		**93,000**
INTEREST INCOME		**80,000**
PHOTOCOPIES & PAY PHONES		**4,500**
TOTAL OPERATING INCOME		**2,548,713**

JACKSON HOLE AIRPORT BUDGET FY 2002-2003

OPERATING EXPENSES	2002-2003
PAYROLL	895,531
SNOW REMOVAL PAYROLL	49,000
SNOW REMOVAL OTHER	12,000
PAYROLL TAXES - SNOW REMOVAL	4,655
PAYROLL TAXES	85,075
WYOMING RETIREMENT	100,747
OFFICE EXPENSE	24,000
COMPUTER O & M	4,700
PHOTOCOPIES	2,600
TRAVEL/MILEAGE	100,000
MEETINGS/SCHOOLS	23,500
PROFESSIONAL FEES	16,500
LEGAL EXPENSE	50,000
DUES & SUBSCRIPTIONS	6,500
INSURANCE - Airport Staff Medical	262,000
Disability	5,000
Property & Liability	130,000
BUILDING SUPPLIES	35,000
R & M -Building	66,925
Operations	69,000
Vehicle	57,000
PHONE BOARD	1,000
TELEPHONE	22,000
LIGHT & POWER	110,000
GARBAGE	30,550
FUEL	18,000
ARFF/LAW ENFORCEMENT	30,000
USE AGREEMENT PAYMENT	39,000
EQUIPMENT-Operations	45,870
Furn.& Fixtures	4,700
Computer	8,800
Radios	2,000
NOISE ABATEMENT PLAN	25,000
DGPS MAINTENANCE	5,000
SOUTH MALS OPERATION	2,000
CONTROL TOWER OPERATION	30,120
TOTAL OPERATING EXPENSE	2,373,774

JACKSON HOLE AIRPORT BUDGET FY 2001-2002

OPERATING EXPENSES	2001-2002
PAYROLL	822,251
SEC.SCREENING PAYROLL	229,902
Other	8,000
SNOW REMOVAL PAYROLL	80,000
SNOW REMOVAL OTHER	6,500
PAYROLL TAXES - SNOW REMOVAL	7,600
PAYROLL TAXES	99,955
WYOMING RETIREMENT	105,992
OFFICE EXPENSE	22,000
COMPUTER O & M	4,000
PHOTOCOPIES	2,600
TRAVEL/MILEAGE	100,000
MEETINGS/SCHOOLS	19,000
PROFESSIONAL FEES	16,500
LEGAL EXPENSE	50,000
DUES & SUBSCRIPTIONS	6,500
INSURANCE - Medical	265,000
- Disability	5,000
Property & Liability	98,000
BUILDING SUPPLIES	34,000
R & M -Building	70,275
Operations	58,000
Vehicle	70,350
PHONE BOARD	1,000
TELEPHONE	22,000
LIGHT & POWER	110,000
GARBAGE	22,000
FUEL	18,000
ARFF/LAW ENFORCEMENT	36,000
USE AGREEMENT PAYMENT	38,000
GLYCOL EXPENSE	200,000
EQUIPMENT-Operations	47,022
Furn.& Fixtures	4,700
Computer	8,350
Radios	4,100
NOISE ABATEMENT PLAN	22,000
DGPS MAINTENANCE	5,000
SOUTH MALS OPERATION	1,000
CONTROL TOWER OPERATION	26,000
TOTAL OPERATING EXPENSE	**2,746,597**
CAPITAL IMPROVEMENT AND GRANT PROJECT EXPENSES	
LANDSIDE IMPROVEMENTS	5,000
SECURITY SYSTEM UPGRADE	25,735
FUEL FARM	600,000
3/4 TON PICKUP (XTRA CAB 4WD)	36,000
PLOW FOR LOADER	30,000
SPRINKLER SYSTEM FOR MAINT. BLD	24,700
G.A. APRON EXPANSION	1,346,000
AIR CARRIER APRON REHABILITATION	354,000
NORTH MALS	70,000
SOUTH MALS	30,000
TOTAL PROJECT EXPENSE	**2,521,435**
TOTAL EXPENSES	**5,268,032**

JACKSON HOLE AIRPORT BUDGET FY 2001-2002			
OPERATING INCOME			**2001-2002**
AMERICAN	Rent/Ramp		39,728
	Land Fee		96,228
DELTA	Rent/Ramp		0
	Land Fee		0
SKYWEST	Rent/Ramp		32,214
	Land Fee		115,689
UNITED	Rent/Ramp		1,500
	Land Fee		113,666
AIR WISCONSIN	Rent/Ramp		48,132
	Land Fee		46,685
AIRLINE	Screening		345,000
	Hold Room		51,440
OFF AIRPORT RENTAL CAR			44,000
RENTAL CAR	Hertz		396,000
	Avis		260,000
	Alamo		230,000
	Budget		163,000
GTNP RENT			2,400
LANDING FEE	Other		2,000
LANDING FEE	G.A.		40,000
FAA OFFICE	Rent		5,000
JHA	Rent		31,824
	Oper Fee		154,000
F & B–	Sand Shop		30,000
	Lounge		5,500
WILDLIFE MUSEUM			4,000
PARKING			150,000
GROUND TRANSPORTATION			15,000
BROCHURES			10,500
DISPLAY			68,000
PHONE BOARD			16,000
GAS TAX REFUND			80,000
INTEREST INCOME			110,000
PHOTOCOPIES			1,500
PAY TELEPHONES			5,000
GLYCOL REIMBURSEMENT			200,000
TOTAL OPERATING INCOME			2,914,006
GRANT AND PFC INCOME			
G.A. APRON EXPANSION - AIP			1,211,400
AIR CARRIER APRON REHAB. - AIP			318,600
SRE PICK-UP TRUCK			32,400
NORTH MALS			63,000
TOTAL GRANT INCOME			1,625,400
TOTAL INCOME			4,539,406

JACKSON HOLE AIRPORT BUDGET FISCAL YEAR 2003-2004

OPERATING EXPENSES	2003-2004
PAYROLL	1,028,734
SNOW REMOVAL PAYROLL	55,000
SNOW REMOVAL OTHER	12,000
PAYROLL TAXES - SNOW REMOVAL	5,115
PAYROLL TAXES	95,672
WYOMING RETIREMENT	116,295
OFFICE EXPENSE	30,000
COMPUTER O & M	8,260
PHOTOCOPIES	2,600
TRAVEL/MILEAGE	57,700
MEETINGS/SCHOOLS	38,100
PROFESSIONAL FEES	22,000
LEGAL EXPENSE	58,000
DUES & SUBSCRIPTIONS	6,500
INSURANCE - Airport Staff Medical	295,000
Disability	5,500
Property & Liability	160,000
BUILDING SUPPLIES	38,000
R & M -Building	57,000
Operations	76,900
Vehicle	41,000
PHONE BOARD	1,000
TELEPHONE	25,000
LIGHT & POWER	138,918
GARBAGE	32,000
FUEL	18,000
ARFF/LAW ENFORCEMENT	54,300
USE AGREEMENT PAYMENT	44,000
EQUIPMENT-Operations	58,850
Furn.& Fixtures	2,000
Computer	7,800
Radios	9,200
NOISE ABATEMENT PLAN	25,000
DGPS MAINTENANCE	5,000
SOUTH MALS OPERATION	2,000
CONTROL TOWER OPERATION	29,042
TOTAL OPERATING EXPENSE	2,661,486

JACKSON HOLE AIRPORT BUDGET FISCAL YEAR 2003-2004

OPERATING INCOME		2003-2004
AIRLINE	Rent/Ramp	**150,857**
AIRLINE	Land Fee	**506,739**
	Hold Room	**103,260**
RENTAL CAR		**1,202,000**
LANDING FEE	Other	**104,800**
FAA	Rent	**9,264**
JHA	Rent/ Op. Fee	**299,000**
FOOD AND BEVERAGE		**41,000**
PARKING AND GROUND TRANSPORTATION		**165,000**
ADVERTISING & MUSEUM		**80,500**
GAS TAX REFUND		**100,000**
INTEREST INCOME		**30,000**
PHOTOCOPIES & PAY PHONES		**2,700**
TOTAL OPERATING INCOME		**2,795,120**

MASTER PLAN UPDATE

FINAL REPORT

JACKSON HOLE AIRPORT

Airport Master Plan Update
FAR Part 150 Update
Environmental Assessment

Prepared for:

JACKSON HOLE AIRPORT BOARD
Jackson Hole Airport
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Barnard Dunkelberg & Co.
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Recommend Approval:

George Larson
Airport Director

Approved:

William E. Meckem
President, Airport Board

MAY 1998

2 Executive Summary

2 Executive Summary

INTRODUCTION

The findings, conclusions, and development recommendations of the master plan study are highlighted in this executive summary. It should be noted that development recommendations typically identified in a master plan are based upon projected traffic levels and attainment of these levels. It is always emphasized that where development is recommended based upon demand or traffic levels, it is ***actual***, not forecast, demand that dictates the timing of construction. However, for planning purposes, a schedule must be provided and the schedule is based upon the forecasts of traffic. Section 4 presents the traffic forecasts for this study.

The master plan presents a development program for the Airport through the year 2013. The development recommendations contained in this report are cognizant of both the projected traffic demand and public opinion. The proposed improvements do not necessarily accommodate all of the traffic that is forecast. The recommended development program has been fashioned with the goal of improving the safety and efficiency of the Airport and safeguarding the special values of the community and National Park as set forth in Joint Resolution (No. 91-2) by the Teton County Board of Commissioners and Town of Jackson.

It is also important to point out that the schedule of improvements proposed in this plan is contingent upon the availability of Federal, State, and local funds and private investment. While improvements are scheduled for specific years in this report, it must be remembered that it is the programming of the Airport Improvement Program and Facilities and Equipment Program by the FAA, and generation of sufficient Passenger Facility Charges (PFC) that will determine the timing of projects eligible for FAA and PFC funding. Development projects at Jackson must be reconciled with the development priorities of other airports in the region and country. In terms of projects not eligible for FAA moneys, the implementation will depend on the availability of local funds and private sources.

The following subsections highlight the air traffic forecasts, the development recommendations, the estimated cost of implementing the plan, and the public and environmental processes. Details on the various master plan elements can be found in subsequent sections of this report. Section 3 describes the existing airport and conditions. The forecasts of aviation demand and the translation of the future demand into a list of required facilities can be found in Sections 4 and 5, respectively. Section 6 presents the process of defining and selecting a recommended alternative for the master plan and Section 7 presents the airport plans prepared as part of the study. The financial aspects of the master plan are contained in Section 8.

FORECASTS OF AVIATION DEMAND

Aviation demand forecasts are projections of air traffic levels at an airport. In the case of Jackson Hole Airport, a primary commercial service airport, the forecasts focus on the number of passengers, amount of air cargo, the number of operations (takeoffs and landings), and the number of general aviation aircraft based at the Airport.

- Annual passengers (enplanements and deplanements, or outbound plus inbound) are projected to more than double by the year 2013, increasing from 358,000 in 1996 to 754,000 in 2013. Enplaned passengers are projected to increase to 377,000 in 2013 from a 1996 level of 180,000.

- Cargo and air mail are expected to increase from 440,000 pounds in 1996 to 1,675,000 pounds in the year 2013. This demand will continue to be handled as belly-hold cargo on scheduled passenger flights.

- Aircraft operations are projected to slightly increase from approximately 27,000 in 1996 to 29,560 in the year 2013. Commercial service operations (air carrier and

commuter) will account for just over 40 percent of these operations (12,160).

- Based general aviation aircraft are forecast to increase from 55 in 1997 to 62 in 2013.

RECOMMENDED DEVELOPMENT

The Airport is expected to continue to function in its current role as a primary airport, which is one that enplanes more than 10,000 passengers annually. The need for the airport studies was prompted by numerous incidents of aircraft overrunning the runway and periods of congestion in the terminal building. The defined Purpose and Need for the improvements contained in the Environmental Assessment is "To enhance the safety and efficiency of the Jackson Hole Airport, while safeguarding the special values of Jackson Hole and Grand Teton National Park." In further defining the role of the Airport, the Airport Board resolved that the planning of facilities be based on commercial jet service in the short haul market (i.e., Salt Lake City or Denver). This assumes a continuation of present air service with the B737-300 being the representative critical aircraft.

The recommended improvements have been designed to address the following important aspects of aircraft and airport operations.

- Non-compliant runway safety area (RSA) and runway object free area (ROFA) on the south end of the Airport.
- Increase safety with regard to the several incidents involving aircraft overruns of the runway.
- Increase safety through the provision of navaid and air traffic control facilities.
- Provide a satisfactory level of passenger service with regard to terminal facilities.

The improvements recommended in the master plan have been phased over three time periods as follows: the short-term or Phase 1 (through the year 2003); the intermediate-term or Phase 2 (2004-2008); and, the long-term or Phase 3 (2009-2013). Due to the immediate needs for enhancement of safety and efficiency of the Airport and the need to safeguard special community values, most improvements are recommended for the short-term. The development schedule primarily represents an immediate action program for airport improvements.

The Airport Layout Plan (ALP), Figure 2-1, delineates the recommended development. The design of the development program is highlighted below.

Phase 1 Development (through 2003)

Phase 1 development at Jackson Hole Airport encompasses the period from 1998 through 2003, and these improvements are considered to be of the highest priority in the overall development plan. Projects are summarized below in the recommended order for implementation. Currently planned projects or projects for which an FAA AIP grant has been offered are also included for continuity.

For the most part, projects related to enhancing airfield/runway safety are recommended for implementation first, and those related to improving efficiency (such as the terminal building expansion) are secondary in terms of priority.

It is also noteworthy that landscaping will be on-going throughout the master plan period and will be coordinated with projects as they are implemented.

1997

Expand Aircraft Rescue and Firefighting/ Airport Maintenance Building. An expansion within a footprint of approximately 6,000 square feet is planned. Construction is underway with completion expected early 1998.

Acquire Snow Removal Equipment. This involves current plans to acquire a bulldozer for snow removal to be purchased with funds generated by Passenger Facility Charges.

LIST OF BUILDINGS

1. TERMINAL BUILDING
2. CAR RENTAL BUILDING
3. MAINTENANCE BUILDING
4. FBO HANGAR
5. T – HANGAR
6. FBO HANGAR
7. FBO HANGAR
8. RENTAL CAR STORAGE FACILITY

ABBREVIATIONS

ASR	Airport Surveillance Radar
ATCT	Airport Traffic Control Tower
BRL	Building Restriction Line
DGPS	Differential Global Positioning System
E	Existing
F	Future
G.S.	Glide Slope Antenna
LOC	Localizer Antenna
MALS	Medium Intensity Approach Light System
OFA	Object Free Area
PAPI	Precision Approach Path Indicator
REIL	Runway End Identifier Lights
RPZ	Runway Protection Zone
RSA	Runway Safety Area
R/W	Runway
VASI	Visual Approach Slope Indicator
VOR	VHF Omnirange Station

WIND COV
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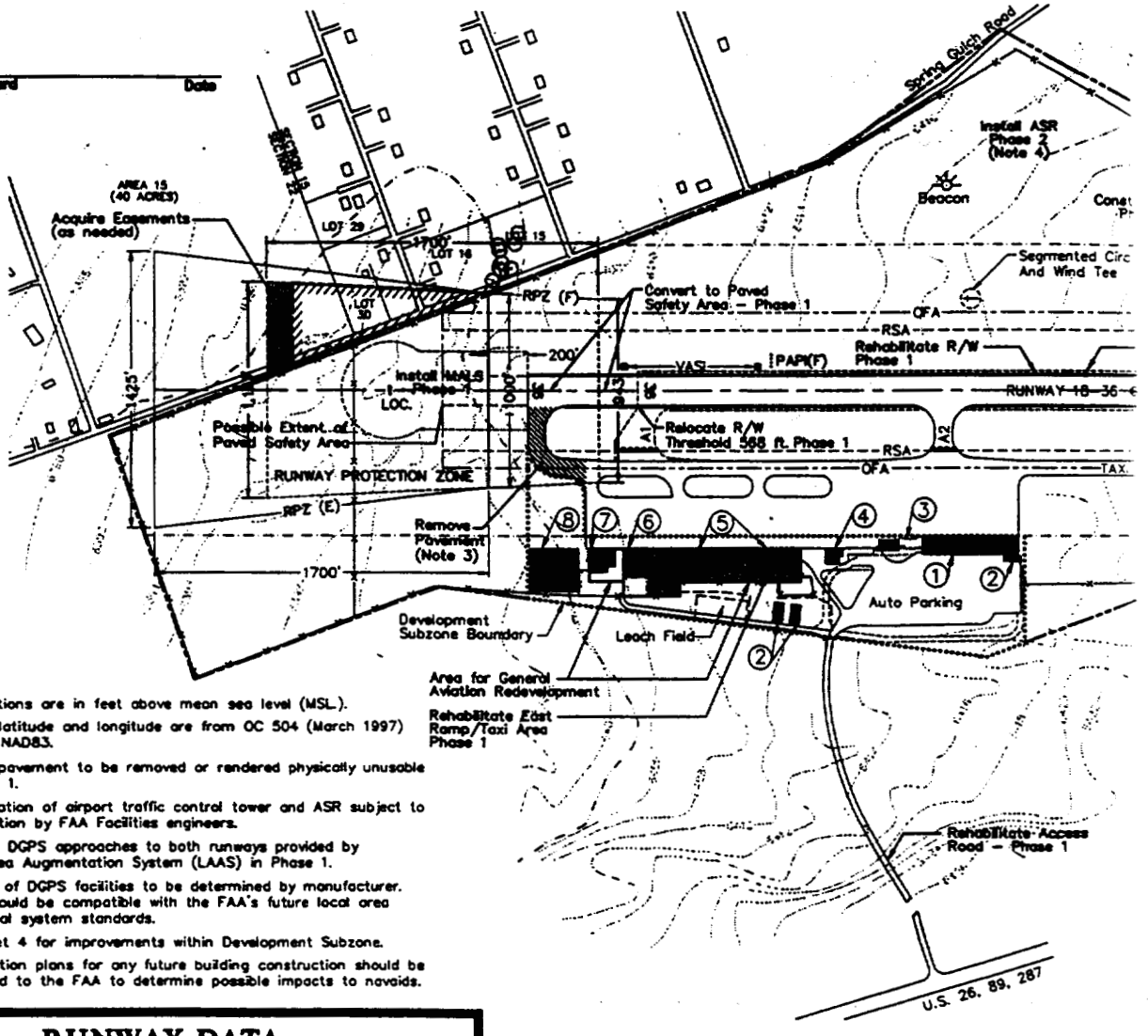
1971-

APPROVALS
Recommended:

Airport Director — Date

Approved:

Airport Board — Date



NOTES:

1. All elevations are in feet above mean sea level (MSL).
2. Existing latitude and longitude are from OC 504 (March 1997) and are NAD83.
3. Taxiway pavement to be removed or rendered physically unusable in Phase 1.
4. Final location of airport traffic control tower and ASR subject to confirmation by FAA Facilities engineers.
5. Precision DGPS approaches to both runways provided by Local Area Augmentation System (LAAS) in Phase 1.
6. Location of DGPS facilities to be determined by manufacturer. DGPS should be compatible with the FAA's future local area differential system standards.
7. See sheet 4 for improvements within Development Subzone.
8. Construction plans for any future building construction should be submitted to the FAA to determine possible impacts to navaids.

RUNWAY DATA

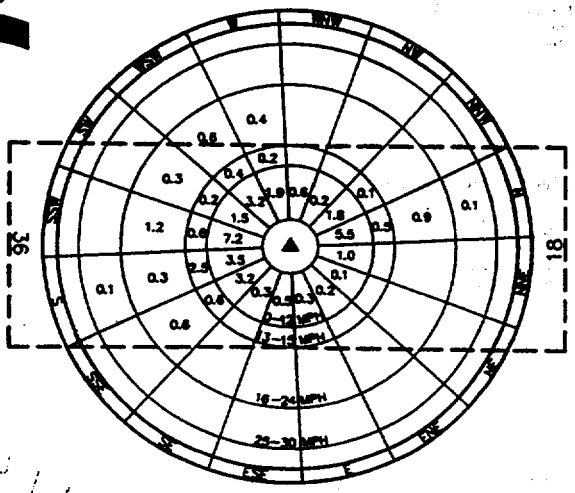
	RUNWAY 18–36	
	EXISTING	ULTIMATE
EFFECTIVE GRADIENT (IN %)	0.611	SAME
PAVEMENT STRENGTH (1000 LBS.) ASPHALT CONCRETE (AC)	75(S),200(D), 380(DT)	SAME
RUNWAY LIGHTING	HIRL	SAME
RUNWAY MARKING	PRECISION	SAME
NAVIGATIONAL AIDS	ILS(18)	ILS(18),DGPS(18/36)
WIND COVERAGE % (15 MPH)	98.4	SAME
VISUAL AIDS	VASI(36)/REIL(18)/PAPI(18)	PAPI(18/36)/REIL(18)/MALS(18/36)
APPROACH SURFACES	50:1/34:1	50:1/50:1
RUNWAY LENGTH	6,300'	SAME
RUNWAY WIDTH	150'	SAME
RUNWAY SAFETY AREA WIDTH	500'	620'

AIRPORT DATA

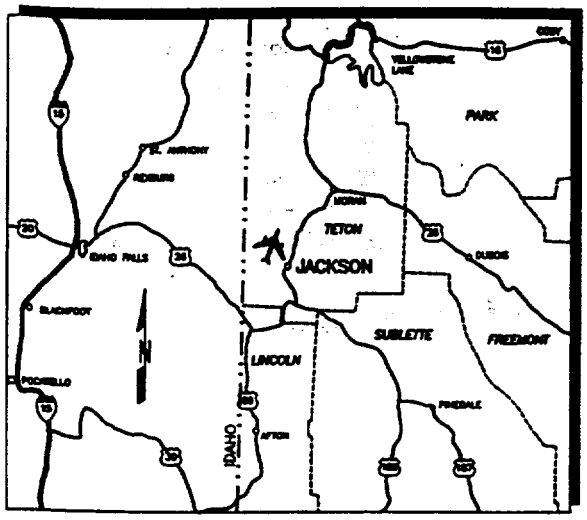
		EXISTING	ULTIMATE
AIRPORT ELEVATION		6,445' MSL	6,449' MSL
AIRPORT REFERENCE POINT (ARP) COORDINATES (NAD 83)	LATITUDE	43°36'23.6"	43°36'28.8"
	LONGITUDE	110°44'17.2"	110°44'14.8"
MEAN MAX. TEMP. OF HOTTEST MONTH		82°F	SAME
AIRPORT AND TERMINAL NAVAIDS		VOR,ILS,DME	VOR,ILS,DME,DGPS
AIRPORT REFERENCE CODE		C–IV	D–IV
AIRPORT WIND COVERAGE % (15 MPH)		98.4	SAME
APPROACH VISIBILITY MINIMUMS		1 MI(18)/>1 MI(36)	1 MI(18/36)
MISCELLANEOUS FACILITIES		BEACON	SAME,ATCT,ASR
		WIND CONE	

15 MPH):
= 41.4%
= 11.4%
= 45.6%
= 98.4%

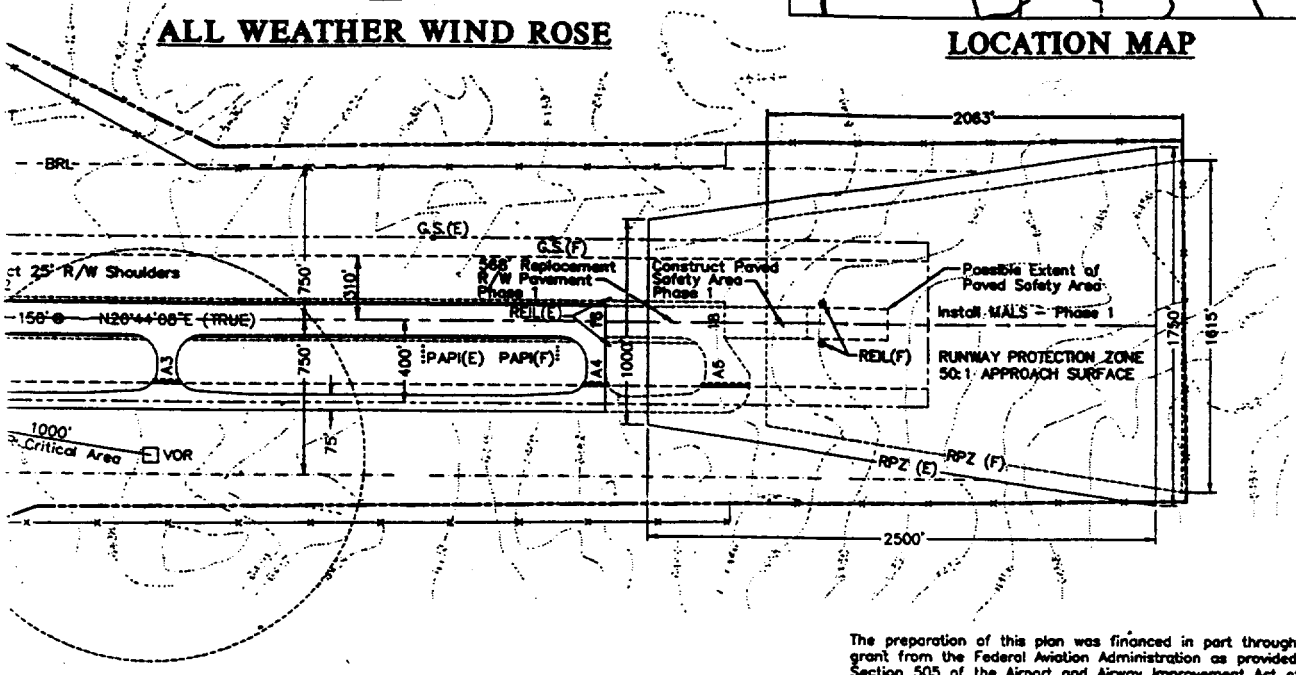
BUREAU
OMING



ALL WEATHER WIND ROSE



LOCATION MAP



The preparation of this plan was financed in part through a planning grant from the Federal Aviation Administration as provided under Section 505 of the Airport and Airway Improvement Act of 1982, as amended. The contents do not necessarily reflect the official views or policy of the FAA. Acceptance of this plan by the FAA does not in any way constitute a commitment on the part of the United States to participate in any development depicted therein nor does it indicate that the proposed development is environmentally acceptable in accordance with appropriate public laws.

NON-STANDARD CONDITIONS

STANDARD	EXISTING CONDITION	PROPOSED ACTION
00' EXTENDED R/W SAFETY AREA	700' PROVIDED AT SOUTH END	TRANSLATE R/W TO NORTH 568'
FA EXTENDS 1000' BEYOND R/W	432' PROVIDED AT SOUTH END	TRANSLATE R/W TO NORTH 568'
25' R/W SHOULDERS	10' SHOULDERS	CONSTRUCT SHOULDERS

RUNWAY END DATA

	RUNWAY	EXISTING	ULTIMATE	EXIST. ELEV.	ULT. ELEV.
'8	LATITUDE	43°36'52.9"	43°36'58.1"	6,445.02'	6,448.52'(est.)
	LONGITUDE	110°44'2.9"	110°44'0.4"		
36	LATITUDE	43°35'54.3"	43°35'59.5"	6,406.81'	6,410.39'(est.)
	LONGITUDE	110°44'31.5"	110°44'29.0"		

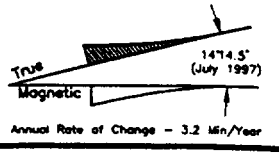
LEGEND

	EXISTING	FUTURE
MENT		
NDARY		SAME
RENCE POINT (ARP)		
STRICTION LINE (BRL)		SAME
SUBZONE BOUNDARY		SAME
OURS		SAME
PARKING		SAME
T		
GNATION	A3	SAME

GRAPHIC SCALE

400 0 200 400 800

in feet



Annual Rate of Change - 3.2 Min/Year

Figure 2-1
Airport Layout Plan

1998

Construct Air Traffic Control Tower (ATCT). This is a key component of the improvement program for enhancing safety, operational efficiency and promoting preferential runway use. The preferred site for an ATCT is on the west side of the runway. This is centrally located along the runway, and will provide full visibility of the parking ramp, reduce glare and allow for a lower structure.

Translate Runway and Construct Paved Safety Areas. This is a key project for enhancing safety through the provision of standard Runway Safety Areas (RSA) and Runway Object Free Areas (ROFA). The runway will be translated 568 feet to the north in order to meet FAA airport design standards for RSA and ROFA on the south end while remaining within the present airport boundary. This involves converting 568 feet of runway pavement on the south end to safety area and constructing 568 feet of replacement runway pavement on the north end. A minimum of 400 feet of paved safety area can be constructed on the north end. A maximum of 800 feet may be constructed on the north end. A minimum of 568 feet of paved safety area may be provided on the south end, up to a maximum of 1,000 feet. These will reduce the potential for personal injury and/or damage in the event of an aircraft overrun. A section of taxiway from the existing end of Runway 36 to the apron should be removed or rendered physically unusable. Holding aprons should also be constructed adjacent to taxiways at each end of the translated runway.

Runway Overlay. The purpose of this project is to extend the useful life of the runway pavement. It is recommended that the overlay be constructed together with the translation of the runway to minimize disruption of operations and eliminate the need to overlay pavements to be abandoned and those constructed as part of the runway translation project.

Install Precision Approach Path Indicator (PAPI) System - Runway 36. As part of the runway translation, certain navigational and visual aids will need to be relocated. The existing VASI on Runway 36 will need to be relocated. It is recommended that the VASI be replaced by a PAPI as part of the runway translation project.

Acquire Runway Protection Zone (RPZ) Easements. The recommended plan includes an expanded Runway Protection Zone on the south end and a translated RPZ on the north end due to improved navigational aids and runway improvements. The north RPZ will not extend beyond the Airport boundary. On the south end, acquisition of additional areas through airspace easements, where in consistent uses are not already prohibited, may be required.

1999

Install Differential Global Positioning System (DGPS). This will permit precision instrument approaches to be conducted on Runway 36 and offer the potential for more effective departure route selection.

Install Medium Intensity Approach Light System - Runways 18 and 36. Upon installation of a DGPS, each runway at Jackson will be capable of precision instrument approaches. The approach lighting system will increase safety during periods of reduced visibility, as pilots would positively identify the runway earlier in their approach and the transition from the instrument phase to visual phase of flight would be facilitated. Approach lights will also increase safety by providing pilots with horizon and end-of-runway reference during periods of darkness, as well as degraded weather. The MALS would not remain lit at all times, but would be keyed on (controlled) by approaching and departing aircraft, or by control tower personnel, and would remain on for approximately 15 minutes at a time.

A MALS is best suited for the airport as it does not include sequenced flashing lights that are typically included as part of an approach light system. Sequenced flashing lights are **not** recommended due to close proximity of residents southwest of the Airport, and to reduce impacts on the park. Lights will be mounted to provide as low a profile as possible, no more than 6 feet above ground.

Rehabilitate Airport Access Road. Rehabilitation of the access road from the highway to Development Subzone is programmed as a short-term improvement to maintain roadway pavement.

Purchase Noise Monitoring Equipment. The Airport Board will continue to monitor noise levels around the Airport to verify compliance with the Use Agreement and monitor progress of the FAR Part 150 program. Noise monitoring is presently conducted on a periodic basis, and the acquisition of this equipment would form the basis of a permanent system that would permit continuous monitoring.

2000

Rehabilitate GA apron. The pavement on the east side of the T-hangars has deteriorated and is in need of rehabilitation. This project involves the rehabilitation of the apron/taxilane pavement in this area.

2002

Expand Passenger Terminal. The project involves expanding the present building within a footprint of approximately 10,000 square feet. This will provide an overall building area of approximately 42,200 square feet (excluding basement areas and electrical and mechanical equipment areas located outside the building). This expansion does not meet the long term requirements, but provides adequate space to accommodate present traffic loads.

Airport Landscaping. Landscaping will be on-going throughout the master plan period and will be coordinated with projects as they are implemented. For costing purposes it is shown for year 2002, but it is understood this cost will be spread over a period of years.

2003

Replace General Aviation Hangar. Replacement of some general aviation facilities is assumed to be required in the short-term. The timing of improvements will be contingent on demand and private sector funding.

Phase 2 Development (2004 - 2008)

Medium-range development, covering the five-year period 2004-2008, is depicted on the ALP as Phase 2. The following improvements are recommended during this period.

Install Airport Surveillance Radar (ASR). The installation of ASR will enhance airport safety as air traffic controllers will be able to identify and control aircraft more readily. The improvement is funded under the FAA Facilities and Equipment (F&E) program. Programming of improvements under F&E is established for the next five years, and those facilities not programmed (such as the ASR) must first be approved and then included in the F&E program. It is assumed that installation of the ASR will not occur before 2004. However, should FAA programming permit, an earlier installation should be pursued so that safety enhancements provided by radar may be realized sooner. Once installed under the F&E program, the facility will be operated and maintained by FAA.

Construct Rental Car Parking Structure. If off-airport rental car solutions cannot be secured, relocation of rental car parking on-airport will be necessary. The project involves construction of a two-story camouflaged covered garage. The height of the structure will be limited by the Use Agreement.

Replace General Aviation Hangar. Additional replacement of general aviation facilities is anticipated during the intermediate-term. The timing of improvements will be contingent on demand and funding from the private sector.

Construct Runway Shoulders. FAA design standards call for 25-foot wide paved shoulders on each side of the runway. Presently, runway shoulders are 10 feet wide. This project involves construction of 25-foot wide paved runway shoulders to meet FAA requirements.

Phase 3 Development (2009 - 2013)

Development recommended under Phase 3, or the long-term portion of the plan, covers the period 2009-2013. As such, the improvements discussed below are considered to be of the

lowest priority and implementation is recommended only if activity materializes or conditions warrant. Recommendations for Phase 3 development consist of the following projects.

Airfield Pavement Rehabilitation. It is assumed that runway, taxiway and apron pavements will require an overlay to extend the useful life of pavements. While the timing will depend on the actual wearing of pavements, it is included in the master plan so that longer range budget items can be anticipated.

Acquire ARFF Vehicle. It is assumed that one ARFF vehicle will be required in the long term as a replacement for an existing vehicle.

Acquire Snow Removal Equipment. It is also assumed that acquisition of various pieces of snow removal equipment will be required during the long term to replace existing equipment.

FINANCING

Implementation of the recommended development plan will require the expenditure of some $26.6 million through the year 2013. Table 2-1 presents a breakdown of costs. Approximately 77 percent of the total development costs are eligible for federal and state aid, or funding through Passenger Facility Charges (PFC). Funds will be obtained from various sources including FAA, state, PFC, Airport (for public investment) and private investment. Private investment will be required to construct the garage for rental car storage and hangars, as these projects are not eligible for funding through the FAA Airport Improvement Program. Table 2-2 summarizes program expenditures.

Total public investment is estimated to equal $21.1 million, in 1996 dollars, for all three phases of the planning period. When including private investment items, projects not eligible for federal or state funding assistance, the total development program costs will equal $26.6 million in 1996 dollars.

Total federal, state, and Airport funding for capital improvements over all three phases of the master plan are estimated, in 1996 dollars, to be:

- Federal AIP Funding - $11.1 million
- FAA F&E Funding - $5.0 million
- PFC Funding - $4.0 million
- State Funding - $250,000
- Airport Funding - $827,000

Airport funds represent the airport sponsor's matching share under the FAA AIP grant program or payment for projects not funded by other programs (in this case the landscaping project).

Total private investment in the Airport is estimated to total $5.5 million, in current dollars 1996 dollars, and represents projects ineligible for FAA funding. These costs include development of hangars recommended in the plan and the construction of a garage for rental car storage (if off-site solutions cannot be identified). For hangars, the private investment can be provided by private sources, or the Airport could elect to fund hangar development out of Airport funds. The cost of the parking structure is assumed to be funded through rental car funds.

PUBLIC INVOLVEMENT

A public coordination and involvement program was established at the onset of the airport studies to obtain input from the public and government agencies. The program included the following:

Public/Agency Scoping. Two public scoping meetings for the Master Plan and Environmental Assessment were held to determine the scopes of the airport studies. Input from individuals and public agencies regarding all areas of potential concern was obtained at these meetings.

Public Meetings. Other public meetings were held to address alternatives, land use and noise concerns arising from the FAR Part 150 process. In addition, two Town/County Joint Board meetings were held and both of these meetings were open to the public.

Workshops. Two workshops were held with public agencies and members of the public to solicit their concerns on the Airport Master Plan Update and EA and to assist in the formulation and refinement of project alternatives.

TABLE 2-1
CAPITAL IMPROVEMENT PROGRAM
(1996 dollars)

PROJECT	TIMING	COST
Airfield		
1. Translate R/W & construct paved safety areas	1998	$2,550,000
2. Install PAPI - R/W 36	1998	$30,000
3. Runway Overlay (short term)	1998	$1,000,000
4. Install MALS - R/W 18 & 36	1999	$850,000
5. Rehabilitate GA Apron/Taxilane	2000	$120,000
6. Construct Runway Shoulders	2008	$1,250,000
7. Airfield Pavement Rehabilitation (long term)	2010	$2,470,000
Total Airfield Improvements		$8,270,000
Buildings		
1. Expand ARFF/Maintenance Equipment Storage	1997	$1,153,000
2. Expand Passenger Terminal	2002	$1,600,000
3. Construct GA hangar	2003	$500,000
4. Construct GA hangar	2008	$1,000,000
Total Building Improvements		$4,253,000
Ground Access		
1. Rehabilitate Airport Access Road	1999	$600,000
2. Relocate rental car parking to parking structure	2005	$4,000,000
Total Ground Access Improvements		$4,600,000
Navigational Aids and ATC		
1. Construct Air Traffic Control Tower (ATCT)	1998	$500,000
2. Install DGPS	1999	$400,000
3. Install Airport Surveillance Radar (ASR)	2004	$5,000,000
Total Navigational Aids/ATC Improvements		$5,900,000
Miscellaneous		
1. Snow Removal Equipment (short term)	1997	$350,000
2. Acquire RPZ easements	1998	$200,000
3. Purchase noise monitoring equipment	1999	$300,000
4. Airport landscaping	2002	$500,000
5. ARFF Vehicle (long term)	2010	$500,000
6. Snow Removal Equipment (long term)	2010	$1,750,000
Total Miscellaneous		$3,600,000
TOTAL AIRPORT IMPROVEMENTS		**$26,623,000**

TABLE 2-2
SUMMARY OF CAPITAL IMPROVEMENT COSTS
(1996 Dollars)

Timing	Public Investment	Private Investment	Total Investment
Through 2003	$10,153,000	$500,000	$10,653,000
2004 - 2008	6,250,000	5,000,000	11,250,000
2009 - 2013	4,720,000	0	4,720,000
Total Plan	**$21,123,000**	**$5,500,000**	**$26,623,000**

Public Hearings. Public hearings were held for the Draft Environmental Assessment to meet FAA and Department of Interior requirements.

Intergovernmental Group Meetings. Seven meetings were held throughout the master planning process with an Intergovernmental Group appointed by the Airport Board which acted as an advisory group on this project to the Board.

Three meetings of the group were also held prior to the start of the master plan. These meetings were open to the public. The Group membership included representatives from the Jackson Hole Airport staff, Airport Management, Teton County, the Town of Jackson, and the National Park Service and the Federal Aviation Administration

Airport Advisory Committee. The Airport also created a special Advisory Committee for the Master Plan, Environmental Assessment and FAR Part 150 process. This committee incorporated a broad cross-section of the community, including representatives of various local businesses, (e.g., aviation interest, the ski industry and hotel and motel operators), private citizens and interest groups such as the Jackson Hole Alliance and the greater Yellowstone Coalition. This group held five public meetings during the course of the planning process.

Airport Board Meetings. Airport Board meetings were held once a month and progress presentations on the Airport Master Plan Update and EA were periodically made to the Board. These meetings provided an opportunity for open discussion on issues related to the project. These meetings were open to the public.

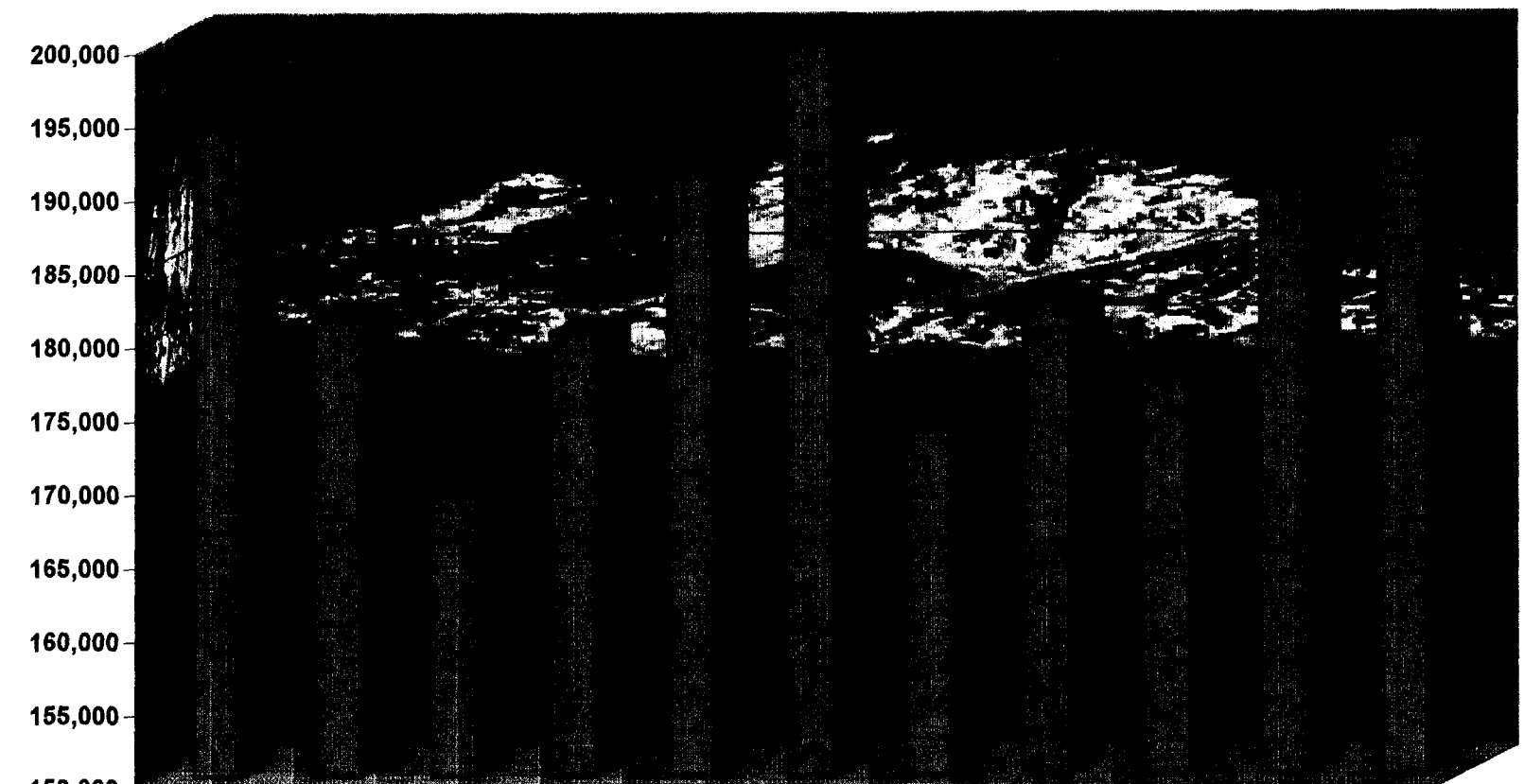
ENVIRONMENTAL ASSESSMENT

An Environmental Assessment (EA) for the Master Plan Update was prepared in accordance with the National Environmental Policy Act (NEPA) and FAA Order 5050.4A, Airport Environmental Handbook. The Final EA is comprised of four volumes. Volume 1 is the text of the original Draft EA prepared in September 1995. Volume 2 included technical studies, correspondence and notices in support of Volume 1. Volume 3 includes a description of the Final Preferred Alternative adopted by the Airport Board and reflected by the ALP and capital improvement program recommended in this Master Plan report together with comments on the Draft EA and the Airport Board's responses. Volume 4 contains appendix material in support of Volume 3. The interested reader is referred to these documents for information on the environmental process and analyses conducted as part of the airport studies.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1995	17,746	16,533	19,438	5,165	7,376	16,340	21,508	23,433	18,681	8,612	4,458	9,772	169,062
1996	17,876	16,758	19,870	5,988	7,430	17,543	24,246	27,374	19,637	8,835	4,789	9,774	180,120
1997	16,911	18,397	22,529	7,328	7,553	17,527	25,105	26,496	22,508	10,810	5,279	10,670	191,113
1998	17,904	19,041	22,017	8,167	8,178	18,743	26,262	28,029	26,777	10,241	4,768	9,567	199,694
1999	15,840	16,669	20,185	6,240	6,365	15,226	22,277	24,959	22,069	8,807	4,984	9,737	173,358
2000	19,359	20,313	21,615	4,818	3,823	15,737	25,383	25,832	20,049	9,376	5,239	10,469	182,013
2001	20,175	19,949	22,530	5,251	6,994	15,687	24,893	26,502	13,730	7,074	4,613	9,366	176,764
2002	17,638	20,262	23,301	5,515	6,159	15,659	26,048	29,550	20,926	7,678	5,550	12,130	190,416
2003	21,209	21,511	25,469	6,387	7,337								81,913

JACKSON HOLE AIRPORT ENPLANEMENTS 1993-2003

Updated: MAY , 2003



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Series2	193,982	181,080	169,062	180,120	191,113	199,694	173,358	182,013	176,764	190,416	193,500

Total for 2003 is estimated

Jackson Hole Airport
Airline enplanements vs capacity
1996-2001

			1996	*1997*	*1998*	*1999*	*2000*	*2001*
Flights Completed -								
	Equipment	**Seats**						
AMERICAN	*B-757*	*188/176*	228	235	273	250	295	355
DELTA	*B-737*	*128*	1,048	1,061	801	17	87	-
SKYWEST	*EMB-120*	*30*	1,653	1,764	2,209	3,444	3,531	3,655
UNITED	*B-737*	*108/126*	219	290	506	182	-	2
	A-319	*126*	-	-	-	216	54	214
	A-320	*138/144*	-	-	-	121	412	222
UAEXPRESS	*BE-1900*	*19*	356	-	-	-	-	-
	EMB-120	*30*	470	5	-	-	-	-
	DH-8	*37*	450	1,015	317	-	-	-
	BAe-146	*86/100*	-	-	291	363	274	285
	D-32	*30*	-	-	27	166	408	515
HORIZON	*D-32 & DH-8*	*30/37*	331	73	-	-	-	-
TOTAL			4,755	4,443	4,424	4,759	5,061	5,248
Total Seat Capacity -								
AMERICAN			42,864	44,182	51,324	46,998	55,464	66,744
DELTA			131,676	133,688	102,536	3,196	11,136	-
SKYWEST			49,590	52,920	66,270	103,318	105,928	109,654
UNITED			25,400	36,540	63,760	67,572	66,178	57,852
UAEXPRESS			37,516	37,708	38,196	36,876	36,626	41,200
HORIZON			11,028	2,850	-	-	-	-
TOTAL			298,074	307,888	322,086	257,960	275,332	275,450
Enplanements -								
AMERICAN			31,089	32,443	37,836	37,787	42,518	47,956
DELTA			72,797	75,681	60,599	1,054	7,360	-
SKYWEST			27,910	30,666	37,277	63,086	62,900	59,115
UNITED			19,742	25,081	41,278	45,186	43,311	40,806
UAEXPRESS			25,009	26,153	22,703	26,238	25,924	28,886
HORIZON			3,573	1,033	-	-	-	-
TOTAL			180,120	191,057	199,693	173,351	182,013	176,763
Load Factor -								
AMERICAN			72.5%	73.4%	73.7%	80.4%	76.7%	71.9%
DELTA			55.3%	56.6%	59.1%	33.0%	66.1%	0.0%
SKYWEST			56.3%	57.9%	56.3%	61.1%	59.4%	53.9%
UNITED			77.7%	68.6%	64.7%	66.9%	65.4%	70.5%
UAEXPRESS			66.7%	69.4%	59.4%	71.2%	70.8%	70.1%
HORIZON			32.4%	36.2%	0.0%	0.0%	0.0%	0.0%
Mkt Load Factor			60.4%	62.1%	62.0%	67.2%	66.1%	64.2%

Congress of the United States

Washington, DC 20515

June 30, 2003

The Honorable Norm Mineta
Secretary
US Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

RE: DOCKET OST-2003-15065

Dear Secretary Mineta:

We are writing in support of the Jackson Hole Air Improvement Resources (JH AIR) application for The Department of Transportation's (DOT) Small Community Air Service Development Pilot Program (SCASDPP).

JH AIR's comprehensive application hinges upon federal funds of $550,000 being matched more than dollar-for-dollar with $630,000 by a community that is serious about improving its air service.

Jackson's application clearly demonstrates that it deserves SCASDPP funding to address its unique air service dilemma. As the nation's only commercial airport in a national park, Jackson faces a condition endemic to no other small community in the country. In particular, surveys show that travelers who opt to use the Jackson Hole Airport pay significantly higher fares, than do travelers using other airports in the region.

Furthermore, due to the mountainous terrain around Jackson Hole, travelers prefer utilizing the safety of jet aircraft. When jet service has been guaranteed to Jackson, there has been a corresponding increase in passenger volume. A strong correlation exists between changes in taxable expenditures by winter tourists and the changes in jet seats into JAC. When jet seats have gone down, so have taxable sales; when jet seats have gone up so have winter tourist taxable sales.

As Wyoming's Congressional delegation, we fully understand the importance of reliable and affordable air service. Since airline deregulation, Wyoming has been negatively impacted, both in service and ticket price, as our country has shifted to a hub-based air system. With hub-system airports, such as those in Denver and Salt Lake City, less emphasis has been given to connecting flights such as those to and from Wyoming. While we recognize the importance of having a hub-based system, the federal government must also maintain a "national" air transportation system, which serves the distinct needs of smaller states.

We are excited to support JH AIR's application for SCASDPP funding because we view the SCASDPP as an important opportunity for communities in Wyoming to improve upon their existing air service. The small community of Jackson needs these SCASDPP funds to address their unique air service dilemma.

Wyoming continues to work diligently, with serious commitment, to improve air service. We urge you to give every consideration to this important funding to JH AIR.

Sincerely,

Craig Thomas
U.S. Senate

Mike Enzi
U.S. Senate

Barbara Cubin
Member of Congress

Wyoming State Legislature

213 State Capitol / Cheyenne. Wyoming 82002 / Telephone 307 / 777-7881

June 30, 2003

The Honorable Read C. Van de Water
Assistant Secretary for Aviation and International Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Dear Ms. Van De Water,

On behalf of the Teton County Legislative Delegation, I am writing in strong support of the Jackson Hole Air Improvement Resources (JH AIR) application for a U.S. Department of Transportation Small Community Air Service Development Pilot Program Grant (SCASDPP).

First, I would like to thank Congress and the U.S. Department of Transportation for continuing this vital small community transportation program. This program is a critical and integral component to strengthening our nation's air system.

As you know, the Jackson Hole Airport is the only airport operating within a National Park. This unique condition limits the type, size and number of planes that are allowed to land in Jackson Hole. Revenue guarantees are required to attract and maintain major air carriers. Our community's goal continues to be to stimulate competition in order to provide high quality, affordable air service for the flying public.

JH AIR, a private-public partnership, has worked hard over the past year to raise local monies. In fact, the current JH AIR application includes a more

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881

than dollar-to-dollar match with federal SCASDPP funds. This community is serious about solving its air service problem. Approval of the JH AIR application will provide our small community with the tools necessary to do just that.

Jackson is a community dependent upon tourism. There are untapped markets for air travel and that is one of the opportunities JH AIR will target. It is vital that we continue to work to secure and improve air carrier service to our remote destination community. Our economy depends on it, and we strongly feel that SCASDPP funds will result in success.

Again, I thank you for giving this JH AIR application full consideration.

Sincerely,

Clarene Law
State Representative

Teton County 03-035

Town of Jackson 03-15

Joint Resolution by the Town of Jackson and Teton County

June 24, 2003

Small Community Air Service Development Pilot Program, United States Department of Transportation

A JOINT RESOLUTION requesting federal assistance for the community of Jackson, Wyoming with crucial Small Community Air Service Development funds that will help improve air carrier service in the federally impacted and economically vital area of Jackson Hole.

WHEREAS, the Jackson community, and important flight destination beyond average drive times, is served by air carrier service that is insufficient;

WHEREAS, the Jackson community and flying public continue to suffer economically from unreasonable high air fares;

WHEREAS, the Jackson Hole Airport is the only airport in the United States operating within a national park;

WHEREAS, the unique federal conditions that geographically encompass and restrict the Jackson Hole Airport weaken the community's ability to accommodate and improve certain air services in traditional ways, such as contracting larger aircraft;

WHEREAS, the annual tax revenues to the State of Wyoming from Teton County, generated by destination travelers and the traveling residents, comprise a significant portion of the State's operating budget for schools, health care and other governmental services;

WHEREAS, the community of Jackson Hole has taken the responsibility and initiative to organize a private-public partnership to try to improve vital air service;

WHEREAS, the Jackson private-public partnership is unified and committed to improving airline service, but clearly needs federal assistance to be able to help this community overcome factors currently inhibiting improvements, namely the location within Grand Teton National Park, and the extreme distance from carrier hubs;

WHEREAS, the United States Department of Transportation Air Service Development Program will enjoy exemplary success by awarding appropriate federal assistance to Jackson as a deserving and fitting recipient;

Now, therefore, be it resolved by the members of the Teton County Board of Commissioners and the members of the Jackson Town Council:

Section 1. That elected officials of Jackson and Teton County unanimously support the application by Jackson Hole Air Improvement Resource (JH AIR).

Section 2. That the community of Jackson urges the Wyoming Congressional Delegation to support and advocate approval of the JH AIR application for the United States Department of Transportation Small Community Air Service Development Pilot Program.

Section 3. That the elected officials of Jackson and Teton County urge the United States Department of Transportation to give vital federal assistance to the Jackson community through this innovative and important federal pilot project.

Signed on June 24, 2003 by

Bill Paddleford, Chair
Teton County Commissioners

Mark Barron, Mayor
Town of Jackson

Attest:

STATE OF WYOMING COUNTY CLERK TETON COUNTY

Sherry L. Daigle
County Clerk

Attest:

THE TOWN OF JACKSON INCORPORATED ★ SEAL ★ COUNTY, WYOMING

Donna M. Baur
Deputy Town Clerk

June 30, 2003

The Honorable Read C. Van de Water
Assistant Secretary for Aviation and International Affairs
Department of Transportation
400 7th Street, S.W,
Washington, D.C. 20590

Dear Ms. Van De Water,

As the Mayor of Jackson, Wyoming I strongly urge you to consider Jackson as a recipient of one of the Small Community Air Service Development Pilot Program (SCASDPP) grants.

All elected officials on the Jackson Town Council unanimously support the application for federal funds by Jackson Hole Air Improvement Resource (JH AIR) and remain committed to improving our air service.

Jackson Hole is a unique community, remote from the rest of the world and adjacent to the natural wonders of Grand Teton National Park and our first national park, Yellowstone. In addition, Jackson is an international destination to not only important national parks and forests, but to three major ski areas.

Unfortunately, all of this natural wonder brings limitations: Jackson Hole Airport is the only airport in the United States operating within a national park. This unique restraint limits the number, type and size of aircraft that may service our remote valley, creating huge disadvantages when trying to attract new, more reliable air service.

JH AIR, a private-public entity, was created to help combat these advantages. Over the past year, JH AIR has worked hard to raise the necessary funds to help improve our air service problem. Local subsidies have been helpful in maintaining current levels of air service in Jackson, however, the Jackson community needs federal assistance to help reach new markets, stimulate competition and provide a more competitive and reliable air service.

With only a few thousand residents, and its inherently rural nature, Jackson's economy is dependent upon tourism. It is critical that we continue to address our air service problem to ensure economic prosperity in this remote valley and to continue to provide the vital sales tax revenues to the State of Wyoming for education and other critical public services.

Box 1687 • Jackson, Wyoming 83001 • 307-733-3932 FAX 307-739-0919 www.ci.jackson.wy.us

The Small Community Air Service Development Pilot Program grant continues to be our only federal hope that can help Jackson to improve our air service.

Attached is a joint Town of Jackson and Teton County resolution, unanimously passed, and detailing a rationale for our strong support. We hope you will review it and know that federal dollars will be an investment for local, state and federal success if awarded to Jackson through JH AIR.

Jackson Hole is a perfect candidate for this grant. We hope you give every consideration to our unique and troubling situation during the application process.

Sincerely,

Mark Barron
Mayor

State of Wyoming
TETON COUNTY
www.tetonwyo.org

June 30, 2003

The Honorable Read C. Van de Water
Assistant Secretary for Aviation and International Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Dear Ms. Van De Water:

As Chairperson of the Teton County Commission, I urge you to consider Jackson Hole Air Improvement Resource (JH AIR) as a recipient for one of the Small Community Air Service Development Pilot Program (SCASDPP) grants.

Within Teton County's boundaries lie all of Grand Teton National Park, the Southern half of Yellowstone National Park, portions of three national forests, the National Elk Refuge, and thousands of acres of other federal, state, and local public lands. Because of the area's scenic beauty and the countless outdoor opportunities, Jackson Hole attracts visitors from around the world. As such, tourism is the engine driving Teton County's economy

As you are aware, Jackson Hole Airport is the only airport in the United States operating within a national park. This unique situation makes it difficult to maintain consistent and affordable air service due to federal limitations on the number, type and size of aircrafts allowed to land in Jackson.

JH AIR, a private-public partnership, continues to work hard to raise the funds necessary to provide competitive and reliable air service in Teton Valley. Through local subsidies, we have actually seen how these types of investments work in our unique island community to secure some carrier service. However, we need federal support to ensure real success.

The Teton County Commissioners are in unanimous support of this application – which matches the federal dollars request on more than a dollar-to-dollar basis -- and feel that a Small Community Air Service Development

Pilot Program grant will begin to help ease the lack of affordable air service in this valley. Our goal with this grant is to recruit more air carrier service, stimulating competition and ultimately reducing airfares for the flying public.

Attached is a joint Town of Jackson and Teton County resolution, unanimously passed, and detailing a rationale for our strong community support.

I thank you for your consideration, and believe you will find that our wonderful community is worthy of this particular grant.

Sincerely,

Bill Paddleford
Chairperson
Teton County Commission

Subodh Karnik
Senior Vice President
Network and Revenue Management

March 11, 2002

Mr. Matthew Harris
Special Assistant to the Assistant Secretary
for Aviation and International Affairs
Department of Transportation
400 7th Street, Southwest
Washington, DC 20590

Dear Mr. Harris:

Delta Air Lines has provided a combination of jet and commuter service to Jackson Hole, Wyoming since acquiring Western Airlines in late 1986.

Due to Jackson Hole Airport limitations and subsequent weight penalties, in 1998 the decision was made to replace Boeing 737 jet service with regional jets. That too proved impossible due to runway/elevation constraints.

We are currently working with Jackson Hole, identifying newer generation, and potentially compatible equipment, that may serve this market, and believe that the Small Community Air Service Development Pilot Program would be an ideal fit to allow this partnership to grow through multi-year contracts.

Sincerely,

Delta Air Lines, Inc., Dept. 663, Post Office Box 20706, Atlanta, GA 30320-6001 U.S.A.
Telephone 404 715-6699 Fax 404 715-4048

American Airlines

March 8, 2002

Walter J. Aue
Vice President
Capacity Planning

Mr. Matthew Harris
Special Assistant to the Assistant Secretary for Aviation and
International Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Dear Mr. Harris:

American Airlines has provided seasonal service to Jackson Hole, Wyoming since December 1986.

We have been able to sustain winter service as a result of a Jackson Hole revenue guarantee. Summer service has also provided a reasonable return. Of course, these results were generated before the events of September 11, 2001.

We look forward to providing future service to Jackson Hole, and believe that the Small Community Air Service Development Pilot Program would be an ideal fit to allow this partnership to grow through multi-year contracts.

Sincerely,

W. J. Aue

Walter Aue

UNITED

March 18, 2002

Mr. Matthew Harris
Special Assistant to the Assistant Secretary for Aviation and
International Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Dear Mr. Harris:

United Airlines has provided a combination of jet and commuter service to Jackson Hole, Wyoming beginning December 1994.

Initially weekend jet service was provided through Revenue Guaranteed Service (RGS), followed with daily jet service from Denver to Jackson Hole. Based our mutual successes, a second daily jet was added. With the airport runway/elevation limitations, winter service to Jackson Hole continues to require RGS agreements.

The Small Community Air Service Development Pilot Program would be an ideal fit for this community, allowing their expertise and financial commitment to airline service to expand.

Sincerely,

Sheila Remes
Regional Manager Marketing and Planning

1873 So. Bellaire St., Suite 1700, Denver, CO 80222

NORTHWEST
AIRLINES

Department Number

Northwest Airlines, Inc.
5101 Northwest Drive
St. Paul MN 55111-3034

April 17, 2002

Mr. Matthew Harris
Special Assistant to the Assistant Secretary for Aviation and
International Affairs
Department of Transportation
400 7th Street, S.W.
Washington, D.C. 20590

Dear Mr. Harris:

Northwest Airlines will provide new Minneapolis/Jackson Hole, Wyoming non-stop summer seasonal service beginning in July 2002. We have begun to discuss the possibility of extending this service into the winter season, and the potential exists to further expand into year-round service.

It is our view that the Small Community Air Service Development Pilot Program would enhance and accelerate our prospects for service expansion to Jackson Hole. As such, it would improve our ability to meet the air transportation needs of Jackson Hole and the surrounding community.

Sincerely,

Dennis J. Newman
Managing Director
North America Market Planning

IN JACKSON HOLE SINCE 1967

March 7, 2002

Mr. Matthew Harris
Special Assistant to the Assistant Secretary for Aviation and International Affairs
Department of Transportation
400 7th Street SW
Washington DC 20590

Dear Mr. Matthew Harris:

Teton Science School would like to voice its support for JH AIR's efforts to secure a grant to lower airfares into Jackson, Wyoming. Teton Science School is a 33-year old nonprofit environmental education center located in Grand Teton National Park. Lower airfares would enable a number of our students, especially low income and scholarship recipients, to fly directly into the Jackson area. Most of these students have never flown and serious problems arise for individual or whole groups of students when one student is late for a flight, a student gets bumped off a flight, luggage is lost, or the airline cannot accommodate the whole group on one plane. Our larger groups typically fly into Salt Lake City, Utah and then charter a bus for a six-hour bus ride up to Teton Science School. Other students end up flying into Idaho Falls, ID where a TSS staff member picks them up and then returns for their departure. In addition, parents have various safety concerns when their children are flying for the first time and therefore a direct flight into Jackson is always the best option. A number of families have decided not to attend TSS programs because of concerns about the shuttle services and the length of travel from Salt Lake or Idaho Falls.

Please note that Teton Science School is in favor of lower airfares into Jackson, Wyoming. If further information is needed I can be reached at (307) 733-4765.

Sincerely,

Jack Shea
Teton Science School Executive Director

PO Box 68, Kelly, WY 83011 • 307-733-4765 • Fax: 307-739-9388 • info@tetonscience.org • www.tetonscience.org

SECRETARY of STATE

Joseph B. Meyer

200 West 24th Street
Cheyenne, WY 82002-0020

STATE of WYOMING

Corporations Division

Phone (307) 777-7311
Fax (307) 777-5339

RE: **JACKSON HOLE AIRSERVICE IMPROVEMENT RESOURCES, INC. (JH AIR)**

DATE FILED: **MARCH 18, 2002**

Enclosed please find our official receipt and your copy of the referenced filing. You are now duly filed with the Secretary of State! If you ever have any questions or concerns about doing business here, the Corporations Division staff will work with you in every possible way.

A Wyoming tax summary is available for $6.00 from the Wyoming Taxpayer's Association, 2410 Pioneer Avenue, Suite 200, Cheyenne, WY 82001.

Your Annual Corporate Report will be due on the first day of your anniversary month of registration with this office. The form will be mailed to you about two months prior to the due date to the address listed below. If this mailing address is not correct or you should have a change of address in the future, it is extremely important that you inform this office of that change.

STEPHEN R. DUERR
P.O. BOX 550
JACKSON, WY 83001

Thanks for your cooperation. If this office can ever be of service, please feel free to contact us.

Sincerely,

Jenny Miller

JENNY MILLER
Corporations Examiner

Enclosures

FILED: 03/18/2002
CID: 2002-00432837
WY Secretary of State

ARTICLES OF INCORPORATION FOR JACKSON HOLE AIRSERVICE IMPROVEMENT RESOURCES, INC., A WYOMING NONPROFIT CORPORATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a natural person over the age of twenty-one years, acting as the incorporator of this nonprofit corporation pursuant to the provisions of the Wyoming Nonprofit Corporation Act W.S. §§17-19-101 et seq., does hereby adopt and verify the following Articles of Incorporation of this nonprofit corporation:

ARTICLE I
NAME

The name of this nonprofit corporation shall be **JACKSON HOLE AIRSERVICE IMPROVEMENT RESOURCES, INC. ("JH AIR").**

ARTICLE II
DURATION

The period of duration of this nonprofit corporation shall be perpetual.

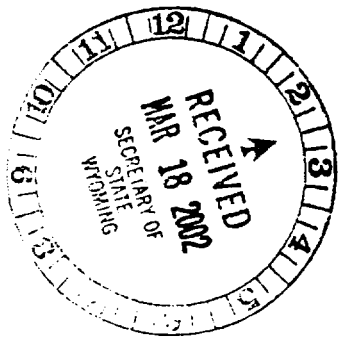
ARTICLE III
PURPOSES, POWER AND TAX EXEMPT STATUS

This entity is a public benefit corporation, organized to conduct any lawful activity, including without limitation, coordination of the efforts of individuals and businesses in the Jackson Hole region to maintain and improve commercial airline service; to pursue relationships with local, state and federal agencies to advance the cause of improved airline service; and to pursue funding through contributions, grants, or the Small Community Air Service Development Pilot Program to advance the goal of improved airline service. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of the board, which shall consist of at least 7 directors. No officer or director of this nonprofit corporation shall be paid or receive directly or indirectly any profit or pecuniary advantage, subject to the discretion of the Board of Directors. The corporation will not have members.

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue code, or the corresponding section of any future federal tax code.

ARTICLE IV
REGULATION OF INTERNAL AFFAIRS

The provisions relative to the regulation of the internal affairs of this Corporation shall be set forth in the Bylaws of the Corporation.



ARTICLE V
INDEMNIFICATION

In addition to the other powers now or hereafter conferred upon the Corporation by these Articles of Incorporation, the Wyoming Business or Nonprofit Corporation Act or otherwise, the Corporation shall possess and may exercise all powers to indemnify directors, officers, employees, fiduciaries and other persons and all powers whatsoever incidental thereto (including, without limitation, the power to advance expenses and the power to purchase and maintain insurance with respect thereto), without regard to whether such powers are expressly provided for by the Wyoming Business or Nonprofit Corporation Acts. The board of directors is hereby authorized on behalf of the Corporation to exercise all of the Corporation's power of indemnification, whether by provision in the Bylaws or otherwise.

ARTICLE VI
ELIMINATION OF CERTAIN LIABILITIES

There shall be no personal liability, either direct or indirect, of any director or officer of the Corporation to the Corporation for monetary damages for any breach or breaches of fiduciary duty as a director or officer; provided, however, that this provision shall not eliminate or limit the liability of a director or officer to the Corporation for monetary damages for any breach, act, omission, or transaction as to which the Wyoming Business or Nonprofit Corporation Acts (as in effect from time to time) expressly prohibits the elimination of liability. This provision shall not limit the rights of directors or officers of the Corporation for indemnification or other assistance from the Corporation. Any repeal or modification of the foregoing provisions of this Article by Corporate action, or any repeal or modification of the provisions of the Wyoming Business or Nonprofit Corporation Acts that permit the elimination of liability of directors by this Article shall not affect adversely any elimination of liability, right or protection of a director or officer of the Corporation with respect to any breach, act, omission, or transaction of such director or officer occurring prior to the time of such repeal or modification.

ARTICLE VII
DISTRIBUTION OF ASSETS
UPON DISSOLUTION AND TAX EXEMPT STATUS

This Corporation may be dissolved pursuant to the applicable sections of the Wyoming Nonprofit Corporation Act W.S. § 17-19-1401 et seq. Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, or to such organization or organizations as such court shall determine.

ARTICLE VIII
INITIAL REGISTERED OFFICE AND AGENT

The name of the initial registered agent is Stephen R. Duerr and the physical address of the initial registered office of the Corporation is 990 West Broadway, Street P.O. Box 550, Jackson, Wyoming 83001.

ARTICLE IX
INCORPORATOR

The name and address of the incorporator of this Corporation is:

Stephen R. Duerr
Attorney at Law
PO Box 550, 990 West Broadway
Jackson, WY 83001

ARTICLE X
FISCAL YEAR

The fiscal year of the Corporation shall begin January 1st of each year and end on December 31st of each year.

ARTICLE XI
SEAL

The Board of Directors may provide a corporate seal.

IN WITNESS WHEREOF, the undersigned incorporator has hereto affixed his signature on this 1st day of March, 2002.

Stephen R. Duerr

STATE OF WYOMING)
)
COUNTY OF TETON)

I, Lisa M. Paddleford, a Notary Public in and for Teton County, Wyoming, hereby certify that on the 1st day of March, 2002, personally appeared before me Stephen R. Duerr, who being by me first duly sworn, declared that he is the person who signed the foregoing Articles of Incorporation as incorporator and he further verified that the statements contained therein are true to the best of his knowledge and belief.

Witness my hand and official seal.

Lisa M. Paddleford
Notary Public

My commission expires: 9.12.2004

LISA M. PADDLEFORD - NOTARY PUBLIC
County of Teton
State of Wyoming
My Commission Expires September 12, 2004

SMALL COMMUNITY AIR SERVICE DEVELOPMENT PILOT PROGRAM
DOCKET OST-2003-15065

SUMMARY INFORMATION

All applicants must submit this information along with their proposal. Previous applicants may incorporate by reference all or any portion of their initial proposals in Docket OST-2002-11590, but must also submit this summary information to be considered for a grant award from the FY 2003 funding for the Pilot Program in this docket.

A. APPLICANT INFORMATION: (CHECK ALL THAT APPLY)

☒ **Consortium** ☐ **Community now receives EAS subsidy**

		Point of Contact:
Community Name	Jackson Hole Air Improvement Resources	Phone: 307-733-6549
Address1	PO 3857	Fax: 307-733-7267
Address2		Email: mgierau @webtv.net
City, State Zipcode	Jackson, WY 830001	County: Teton County, WY
Point of Contact:	Mike Gierau	
Community Name		Phone:
Address1		Fax:
Address2		Email:
City, State Zipcode		County:
Point of Contact:		
Community Name		Phone:
Address1		Fax:
Address2		Email:
City, State Zipcode		County:
Point of Contact:		

DESIGNATED LEGAL SPONSOR: (MUST BE A GOVERNMENT ENTITY)

		Point of Contact
Name	George Larson	Phone: 307-733-7682
Title	Airport Manager	Fax: 307-733-9270
Organization	Teton County Airport Board	Email: glarson@wyom.net
Address1	PO 159	
Address2		
City, State Zipcode	Jackson, WY 83001	

PUBLIC/PRIVATE PARTNERSHIPS: (LIST ORGANIZATION NAMES)

Public	Private
1. Teton County	**1. JH AIR**
2. Town of Jackson	**2. Jackson Hole Chamber of Commerce**
3. State of Wyoming, Legislative Delegation	**3. Jackson Downtown Businesses Assoc.**
4. University of Wyoming, Business College	**4. Teton Science School**
5. Wyoming's US Congressional Delegation	**5.**

B. PROJECT INFORMATION

PROJECT PROPOSAL: (CHECK ALL THAT APPLY)

☐	Marketing	☐	Upgrade Aircraft	☐	New Route
☐	Personnel	☐	Increase Frequency Secure	☐	Low Fare Service
☐	Travel Bank	☐	Service Restoration	☐	Surface Transportation
☐	Subsidy	☐	Regional Service	☐	Other (specify)
☒	Revenue Guarantee	☐	Launch New Carrier		_____
☐	Start Up Cost Offset	☐	First Competitive Service		_____
☐	Study	☐	Secure Additional Carrier		_____

PROJECT GOAL: PROJECT IS INTENDED TO ADDRESS PROBLEMS INVOLVING (CHECK ALL THAT APPLY)

☒	High Fares	☒	Insufficient Air Service	☒	Unique Airport Circumstance

☒ Access to National Transportation System Needed

☒ Other (specify) Intense Federal Impacts

Please provide a brief synopsis (in one paragraph) of the highlights of your proposal.
Jackson Hole Air Improvement Resources (JH AIR) seeks $550,000 in SCASDPP funds to combine with $630,000 in locally raised funds to secure two flights through minimum revenue guarantees for the Minneapolis and Chicago markets, Northwest Airlines and American Airlines respectively. Targeted market-based guarantees build a sustaining program. Rather than risky start-ups in Wyoming, JH AIR can demonstrate the ability to use the desired funds for results. JH AIR has strong support throughout the community.

PROJECT COST:

Federal amount requested:	$550,000
Total local financial contribution:	$630,000
Airport funds:	
Non-Airport funds:	
State financial contribution:	
Existing funds:	
New funds:	
In-kind contribution:	
(amount & description)	
Total cost of project:	$1,180,000

C. AIR SERVICE DEVELOPMENT ZONE: (CHECK BOX IF INTERESTED IN DESIGNATION) ☐

D. AIRPORT INFORMATION: (WHERE SERVICE WOULD BE PROVIDED)

Airport Name:	Jackson Hole Airport
Airport City:	Jackson
Airport State:	Wyoming
Airport Code:	JAC

AIRPORT CLASSIFICATION: (AS OF JUNE 2002, PER FAA'S AIRPORT HANDBOOK)

☒ Non Hub ☐ Small Hub ☐ Medium Hub ☐ Other

EXISTING LANDING AIDS:

☒ Full ILS ☐ Outer/Middle Marker ☒ Published Instrument Approach

☒ Localizer ☒ Other (specify) PAPI

EXISTING SERVICE:

☒ Jet service ☐ Low Fare Service ☒ Turboprop
SEASONAL

AIR CARRIER(S) SERVING AIRPORT:

Air Carriers	Air Carriers
1. Air Wisconsin (year-round)	**6. American (seasonal: summer/winter)**
2. Sky West (year-round)	**7. Northwest (seasonal: summer/winter)**
3. Continental (seasonal: summer/winter)	**8.**
4. United (seasonal: summer/winter)	**9.**
5. Delta (seasonal: summer/winter)	**10.**

CURRENT FLIGHT INFORMATION: (please provide attachment if you need more room)

Number of non-stop roundtrip flights per destination: Please see Attachment #1
Number of one-stop, single-plane roundtrip flights per destination per week (identify services that are seasonal and dates of service):
Aircraft Type (include number of seats):

Enplanements (last five calendar years to the extent applicable)

1998 199,694
1999 173,358
2000 182,013
2001 176,764
2002 190,416

E. AIRFARES: (PROVIDE CURRENT AVAILABLE AIRFARES FOR TOP 3 O&D MARKETS-IF APPLICABLE)

O&D Market: Chicago Airfare: $294/rt
O&D Market: Los Angeles Airfare: $408/rt
O&D Market: San Francisco Airfare: $376/rt

F. PROXIMITY OF OTHER AIRPORTS: (PER JUNE 2002 FAA HANDBOOK)

What is your closest:

Non-hub (w/jet service)	Name N/A
Small Hub	Name Idaho Falls, Idaho
Medium Hub	Name Salt Lake City, Utah
Large Hub	Name Denver, Colorado
Low-fare service	Name Salt Lake City, Utah

CURRENT FLIGHT INFORMATION ATTACHMENT # 1

JACKSON HOLE AIR CAPACITY FORECAST FY2004

DEC. 1, 2003 THROUGH NOV. 30, 2004

	City Pair	Equipment	Avg Seats	Operations	Seats	*MGR2004	$/seat
American	ORDJAC	B-757	176	340	59840		
	DFWJAC	B-757	176	0	0		
	Total			340	59840	300,000	5.01
Continental	EWRJAC	B-757	183	0	0		
	IAHJAC	B-73G	124	0	0		
	IAHJAC	B-757	183	0	0		
	Total			0	0		
Delta	ATLJAC	B-757	182	24	4368		
	SLCJAC	B-737	128	400	51200		
	SLCJAC	EM2	30	2500	75000		
	DFWJAC	B-757	182	26	4732		
	Total			2950	135300	230,000	1.70
Northwest	MSPJAC	A-319	124	200	24800	250,000	10.08
United	DENJAC	A-319	124	650	80600		
	DENJAC	DO32	32	0	0		
	DENJAC	DH8	37	700	25900		
	ORDJAC	B-757	188	0	0		
	Total			1350	106500	200,000	1.88
Total Market					326440	980,000	
Administrative and Marketing Expenses						200,000	
Total						**$1,180,000**	**$3.61**

**MRG - Minimum Revenue Guarantee*

into JAC from viable markets.